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1		I N D E X			
2	WITNESSES	DIRECT	CROSS	REDIRECT	RECROSS
3	JOSEPH AYALA				
	By Mr. Bowen	1023		1071	
4	By Ms. Gibney		1050		
5	JOSEPH P. RIOLO				
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6	By Mr. Binnig		1091		1155
7	TORSTEN CLAUSEN				
	By Mr. Harvey	1161		1200	
8	By Mr. Binnig		1168		1203
9	ROBERT F. KOCH				
	By Mr. Harvey	1205			
10	By Mr. Binnig		1209		
11					
12					
13	EXHIBITS		MARKED		ADMITTED
14	Rhythms Cross Jacobsen 2 & 3		1019		1022
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15	Rhythms 1.0, 1.1, 1.2, 1.3, 1.4, 4.0, 4.1		1022		1028/1161
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1 PROCEEDINGS

2 (Whereupon prior to the hearing
3 Rhythms Cross Jacobsen Exhibits 2
4 and 3 were marked for
5 identification.)

6 EXAMINER WOODS: I call for hearing Docket
7 00-0393, Illinois Bell Telephone Company, the
8 proposed implementation of High Frequency Portion of
9 Loop /Line Sharing Service.

10 This cause comes on for hearing October
11 19, 2000, before Donald L. Woods, duly appointed
12 Hearing Examiner, under the authority of the Illinois
13 Commerce Commission. The cause was set today for
14 evidentiary hearings.

15 At this time I'd take the appearances of
16 the parties, please, beginning with the Applicants.

17 MR. BINNIG: Christian F. Binnig and Kara K.
18 Gibney of Mayer, Brown & Platt, 190 South La Salle
19 Street, Chicago, Illinois 60603, appearing on behalf
20 of Ameritech Illinois.

21 MR. PABIAN: Michael S. Pabian, 225 West
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2 MS. HIGHTMAN: Carrie J. Hightman, Schiff
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5 MR. BOWEN: Stephen P. Bowen, Blumenfeld &
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18 60601-3104.

19 MR. BROWN: Also appearing on behalf of Rhythms
20 Links, Inc., Craig Brown, 9100 East Mineral Circle,
21 Englewood, Colorado 80112.

22 EXAMINER WOODS: Any additional appearances?

1 Let the record reflect no response.

2 At this time I'd ask any witness who
3 intends to give testimony to please stand and raise
4 their right hand.

5 (Whereupon the witnesses were sworn
6 by Examiner Woods.)

7 EXAMINER WOODS: Thank you. Be seated.

8 I understand we're going to take Mr. Ayala
9 first.

10 MR. BOWEN: Yes, Your Honor.

11 MS. HIGHTMAN: Before we start with that, just
12 as a preliminary matter, we have two exhibits that we
13 have provided to the Court Reporter that have been
14 marked for the record as -- the first one is Rhythms
15 Jacobsen Cross Exhibit 2 which is pages 670 through
16 764 of the transcript of the arbitration proceeding.
17 The second one is Rhythms Jacobsen Cross Exhibit 3
18 which consist of pages 771 through 796 of the
19 arbitration proceeding transcript. We had agreed
20 earlier about putting into the record portions of the
21 transcript.

22 EXAMINER WOODS: Okay.

1 MS. HIGHTMAN: We are also getting made right
2 now a document that we'll have marked for the record
3 as Rhythms Carnall Cross Exhibit 1 which will consist
4 of pages 971 through 995 of the arbitration
5 transcript.

6 EXAMINER WOODS: Objections?

7 MR. BINNIG: No objection, Your Honor.

8 EXAMINER WOODS: The documented are admitted.

9 (Whereupon Rhythms Cross Jacobsen
10 Exhibits 2 and 3 and Rhythms Cross
11 Carnall Exhibit 1 were received
12 into evidence.)

13 MS. HIGHTMAN: Thank you.

14 EXAMINER WOODS: Mr. Bowen.

15 MR. BOWEN: Thank you, Your Honor. Rhythms
16 calls Joseph Ayala.

17 (Whereupon Rhythms Exhibits 1.04.0,
18 and 4.1 were marked for
19 identification.)
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1 JOSEPH AYALA

2 called as a witness on behalf of the Rhythms Links,
3 Inc., having been first duly sworn, was examined and
4 testified as follows:

5 DIRECT EXAMINATION

6 BY MR. BOWEN:

7 Q. Mr. Ayala, do you have before you, first
8 of all, a document that was prefiled with the parties
9 that's titled Direct Testimony of Kelly Caldwell and
10 marked as exhibit Rhythms Exhibit 1.0?

11 THE WITNESS:

12 A. Yes.

13 Q. Actually, first of all, let me ask you to
14 state your name and business address for the record.

15 A. Joseph Ayala. The last name is spelled
16 A-Y-A-L-A, 2680 Bishop Drive, Suite 124, San Ramon,
17 California 94583.

18 Q. Okay, and Rhythms Exhibit 1.0 consists of
19 I think it's 33 pages of testimony. Right?

20 A. Correct.

21 Q. And it has with it I believe attachments
22 A, B, and C. Is that right?

1 A. Correct.

2 Q. Okay. Do you have any modifications or
3 corrections to what is labeled Rhythms Exhibit 1.0?

4 A. Yes, I do.

5 Q. Okay. Could you indicate for the record
6 the types of corrections and then run through those
7 briefly for the record?

8 A. There is just some typos I'm going to
9 review as well as replacing some information from
10 Kelly Caldwell to myself.

11 Q. Okay. Now, we also have other testimony
12 that you yourself prefled, do we not?

13 A. Correct.

14 Q. And is it correct that your
15 qualifications are included in your surrebuttal
16 testimony which we'll get to in a moment?

17 A. Yes.

18 Q. Okay. Why don't you go over the changes,
19 please.

20 A. Okay. For direct testimony, Exhibit 1.0,
21 on page 1 the page numbering should be corrected to
22 read page 1 of 33.

1 Also on page 1 we're changing the name
2 Kelly Caldwell to Joseph Ayala in the header.

3 Also on page 1 we're striking lines 1
4 through 17, which is her qualifications.

5 On page 2 strike lines 1 through 4.

6 Also on page 2, line 9, insert the word
7 "to", T-O, before the word "describe".

8 On page 7, line 22, insert the word "a"
9 after "if".

10 On page 12, line 9, insert the word "and"
11 before the number "3".

12 On page 16, line 1, insert the word "the"
13 before the word "scope".

14 On page 16, line 5, insert the word "for"
15 before "project".

16 On page 18, line 13, insert the word "a"
17 before "requesting".

18 And on page 24, line 22, delete the "s" at
19 the end of the word "restricts".

20 That's all.

21 Q. Okay. Mr. Ayala, with those corrections
22 and changes, are the answers contained in Rhythms

1 Exhibit 1.0 true and correct to the best of your
2 information and belief?

3 A. Yes.

4 Q. And if I were to ask you the questions
5 contained therein today, would your answers be the
6 same?

7 A. Yes.

8 Q. Okay, and are the attachments you've
9 attached to your prefiled testimony accurate as far
10 as you know?

11 A. Yes.

12 Q. Okay.

13 All right. Let's turn to your surrebuttal
14 testimony. Do you have before you a document labeled
15 Surrebuttal Testimony of Joseph Ayala carrying a
16 designation of Rhythms Exhibit 4.0 and consisting of
17 26 pages of questions and answers?

18 A. Yes.

19 Q. And attached to that is there a document
20 labeled Rhythms Exhibit 4.1 which consists of a
21 three-page letter to the FCC -- I'm sorry -- from the
22 FCC to SBC Communications, Inc.?

1 A. Yes.

2 Q. Do you have any corrections or
3 modifications to your surrebuttal testimony?

4 A. I have one correction.

5 Q. Okay.

6 A. It's on page 25. It's line 19. We're
7 inserting the word "one", O-N-E, before the word
8 "year".

9 Q. Okay. And with that correction, is this
10 testimony true and correct to the best of your
11 information and belief?

12 A. Yes.

13 Q. And if I were to ask you the questions
14 contained therein today, would your answers be the
15 same?

16 A. Yes.

17 Q. And with respect to the attachment which
18 is labeled Exhibit 4.1, is that an accurate
19 reproduction of the document that it represents?

20 A. Yes.

21 MR. BOWEN: Okay. Your Honor, we would move
22 the admission at this time, recognizing that we'll be

1 filing the electronic versions of these documents, we
2 move the admission of Exhibits 1.0, 4.0, and 4.1.

3 EXAMINER WOODS: Objections?

4 MS. GIBNEY: No.

5 EXAMINER WOODS: The documents are admitted
6 without objection.

7 (Whereupon Rhythms Exhibits 1.0,
8 4.0, and 4.1 were received into
9 evidence.)

10 Let's go off the record just a minute.

11 (Whereupon at this point in the
12 proceedings an off-the-record
13 discussion transpired.)

14 EXAMINER WOODS: We'll go back on the record.

15 MR. BOWEN: Your Honor, I want to now address
16 the matter that we talked about on the record today
17 and that is the opportunity for Mr. Ayala to address
18 what was marked and admitted as Rhythms Exhibit 6
19 which is the AADS information.

20 What we're going to try and do here is to
21 stay on the open record, so if we need to, either on
22 direct or on cross-examination, we're happy to go on

1 the sealed record, but we're going to try and keep it
2 on the open record.

3 EXAMINER WOODS: Okay.

4 MR. BOWEN: We'll do that by having Mr. Ayala
5 refer to exhibit tab numbers and page numbers and try
6 and avoid disclosing information which AADS deems
7 proprietary.

8 MR. BINNIG: Steve, do you happen to have an
9 extra copy?

10 MR. BOWEN: I only have one. I thought
11 everybody had their own copy. We gave them out
12 yesterday.

13 MR. PABIAN: You didn't give us a copy. You
14 gave us the original, and I gave it back. Oh, we
15 have it. Okay. Never mind.

16 MR. BINNIG: But we need it here so we can
17 follow through.

18 MR. BOWEN: Off the record.

19 EXAMINER WOODS: Okay.

20 (Whereupon at this point in the
21 proceedings an off-the-record
22 discussion transpired.)

1 EXAMINER WOODS: Back on the record.

2 MR. BOWEN: Okay. I believe now counsel has a
3 copy; Ameritech counsel has a copy as well.

4 DIRECT EXAMINATION (Cont'd)

5 BY MR. BOWEN:

6 Q. Do you have a copy of that in front of
7 you, Mr. Ayala?

8 A. Yes, I do.

9 Q. All right. First of all, can you just
10 indicate what you do at Rhythms?

11 A. With Rhythms I'm the Provisioning Manager
12 responsible for EDI and OSS change management for six
13 different ILECs, including Ameritech.

14 Q. Okay. Now as I indicated, we're going to
15 try and do this on the open record. I want to
16 caution you to what that means is that you should not
17 disclose information from Exhibit 6.0 on the open
18 record. If we have to go on the closed record we
19 will, but please be careful to avoid talking about
20 specifics in this document in your answers.

21 Let's address first some of what's in
22 there. You have a copy of that in front of you. Is

1 that right?

2 A. Yes, I do.

3 Q. Okay. Have you had a chance to analyze
4 the documents that are contained in the response to
5 those data requests?

6 A. Yes.

7 Q. Okay. Just generally, what kinds of
8 documents did you see as you reviewed that package?

9 A. They're OSS documents.

10 Q. Okay. Can you be more specific about
11 what kinds of OSS documents you saw in there?

12 A. There's flow diagrams. There's fields
13 that are returned back to AADS from Ameritech.

14 Q. Okay. Let me refer you to the document
15 itself, and, again, so the record will be clear, are
16 we talking here about AADS's response to Data Request
17 12 from Rhythms?

18 A. Yes.

19 Q. Just so the record is clear, could you
20 just read the question that triggered the response
21 we'll be talking about? And this is not
22 confidential. This is the data request, so you can

1 read this out loud.

2 A. Okay. Number 12 said to please describe
3 in step-by-step detail how an order for the high
4 frequency spectrum network element placed by AADS
5 with Ameritech is provisioned from the time the order
6 for the shared line is placed to Ameritech by AADS
7 through the time that the service is turned up by
8 AADS. Please produce all documents that you rely
9 upon for your response or which contain or refer to
10 such information. Such documents would include but
11 not be limited to methods and procedures documents.

12 Q. Okay. And am I right that in response
13 AADS supplied -- in fact, the bulk of this exhibit is
14 the response to question 12?

15 A. Yes.

16 Q. And it's broken down with tabs that are
17 numbered 012, meaning 12, - Exhibit 1 through looks
18 like 9. Is that right?

19 A. Yes, that's correct.

20 Q. Now, during your review of the responses
21 did you find that the response to Exhibit [sic] 12
22 included OSS process flows?

1 A. Yes.

2 Q. Did it include flow charts?

3 A. Yes.

4 Q. Did it include descriptions of electronic
5 operation support systems?

6 A. Yes, it did.

7 Q. And did those descriptions of OSSs used
8 by AADS include individual designations of the fields
9 in the databases that support those OSSs?

10 A. Yes.

11 Q. Did it include detailed descriptions by
12 field of the valid entries that could be placed in
13 each field?

14 A. Yes, it did.

15 Q. And did it in at least some cases
16 indicate the source of the information that's placed
17 in that field?

18 A. Yes.

19 Q. Okay. All right.

20 Can you tell from your review of the
21 documents, particularly the exhibits I just
22 referenced attached to the answer to number 12,

1 whether or not AADS is receiving information useful
2 for pre-ordering or ordering advanced data services
3 from Ameritech Illinois?

4 A. Yes.

5 Q. How can you tell that?

6 A. I can tell that by different flow
7 diagrams as well as it referring me to Ameritech
8 returning that information field by field to AADS.

9 Q. Now let's talk about the field by field
10 information. Again, please don't reveal the actual
11 field names on the open record.

12 How can you tell by looking at the source
13 of the field information that it, in fact, comes from
14 Ameritech Illinois, the ILEC?

15 A. There's a source column that indicates
16 where you're receiving the information from, and I
17 can tell that some of the information is sent from
18 IM, which stands for Industry Markets, which is the
19 wholesale branch of Ameritech that communicates with
20 the CLECs.

21 Q. Okay. That wholesale branch communicates
22 with AADS as a CLEC then. Is that right?

1 A. Yes.

2 Q. Does it also communicate with Rhythms as
3 a CLEC?

4 A. Yes.

5 Q. And the two systems that have the field
6 IDs, am I correct that Exhibit 5 to response 12
7 describes what's called a work order management
8 system?

9 A. Yes.

10 Q. Or WOM?

11 A. Yes.

12 Q. And Exhibit 6 describes a facility
13 management system, right?

14 A. Yes.

15 Q. All right.

16 Now, did you have any chance to try and
17 figure out how many of the fields in the work order
18 management system contained data that you were -- as
19 certain as you could be, contained information that
20 came from Ameritech Illinois?

21 A. Yes.

22 Q. And how many fields in that system had

1 such information?

2 A. There were 14 from the first system for
3 tab 5, which was the work order management, and there
4 were 16 for facility order management.

5 Q. Okay. And is that count based on
6 indications of Industry Markets, or IM, as the source
7 for each of those fields?

8 A. Yes.

9 Q. Okay. Is it possible that there could be
10 additional information that came from Ameritech
11 Illinois to AADS, but you can't be certain because it
12 doesn't say IM on it?

13 A. Possibly, yes.

14 Q. And also can you tell from your review of
15 the entire document how the data gets from Ameritech
16 Illinois to AADS, that is whether it's manual or
17 electronic?

18 A. It's electronic.

19 Q. And how can you tell that?

20 A. Through the flow diagrams.

21 Q. Let's talk about the flow diagrams then.
22 You've heard the term flow-through, have you not?

1 A. Yes.

2 Q. What does that mean to you?

3 A. Flow-through to me would mean no manual
4 intervention.

5 Q. Okay. Well, when you say no manual
6 intervention, do you mean that -- a human at some
7 point has to be involved, right?

8 A. Well, they would initially place the
9 order.

10 Q. Okay. And then no manual intervention
11 until what point?

12 A. Until the order is provisioned.

13 Q. Okay. Have you looked through these
14 documents and at the flow charts contained in this
15 exhibit to see if there are indications of flow -
16 through?

17 A. Yes, I have.

18 Q. Okay. Now have you heard the term
19 integration?

20 A. Yes.

21 Q. Okay. You were here yesterday when
22 Ms. Jacobsen testified, were you not?

1 A. I was.

2 Q. Okay. I want you for this purpose to use
3 her definition, which I'll try and get right here,
4 and if I don't, I'm sure counsel for Ameritech will
5 correct me, but I heard her say integration was
6 different from flow-through in that, as an example,
7 pre-ordering and ordering work together so that a
8 person puts in the request, and from that point
9 forward it goes through the pre-ordering process,
10 through the ordering process, all the way to
11 provisioning without further manual intervention.
12 Can you accept that as a working definition for our
13 discussion here?

14 A. I'll accept that.

15 MS. GIBNEY: Your Honor, can we -- if we could
16 clarify, you're going to accept that as your
17 definition. I don't think we want to state that that
18 was Ms. Jacobsen's definition necessarily.

19 MR. BOWEN: Well, --

20 EXAMINER WOODS: For what it's worth, that's my
21 recollection as well.

22 MR. BOWEN: Okay.

1 EXAMINER WOODS: We'll see what the transcript
2 says.

3 MR. BOWEN: Okay.

4 MR. BINNIG: It is what it is.

5 Q. Let's just use that, Mr. Ayala, as a
6 working definition for this examination. Now, is
7 there a document here you could refer us to so we
8 could talk about this on the record with pictures in
9 front of us to understand what your answers will be?

10 A. Yes. I can refer to it's page 8 of
11 Exhibit 6.

12 Q. Okay. Give us a second, please, to get
13 to that page.

14 A. Yes.

15 MS. GIBNEY: You're in tab 6?

16 A. I'm in tab 6 on page 8, and the top says
17 ADSL Facility Management Q12 - Exhibit 6..
18 10/13/2000.

19 MR. BOWEN: Okay. Counsel, do you have that?

20 MS. GIBNEY: Yes.

21 MR. BOWEN: Okay.

22 Q. Okay, Mr. Ayala, again, please don't

1 disclose information that's confidential on this
2 page.

3 A. Okay.

4 Q. But is this page one example of -- that
5 supports your conclusion that there is flow-through
6 functionality available to AADS for advanced service
7 ordering?

8 A. Yes.

9 Q. Okay. Is this chart also an example of
10 integration as we've just defined it?

11 A. It shows integration between pre-ordering
12 and ordering, yes.

13 Q. Okay. Again, just generically, please
14 trace the steps in a process like this that would
15 indicate to you that there is both flow-through and
16 integration in the systems used by AADS.

17 A. Not mentioning what's in these boxes,
18 correct?

19 Q. Just generically the kinds of steps that
20 would be needed.

21 A. Okay.

22 Q. And people can look at this chart and see

1 if they're on there or not.

2 A. Okay.

3 Q. To go all the way from the pre-ordering
4 inquiry to the provisioning work effort.

5 A. Okay. What this diagram -- what I was
6 able to conclude from doing this flow and reviewing
7 it was the pre-order transactions and address
8 validation as well as the loop qual integrating or
9 working together with the ordering pieces of the
10 request and then flowing through all the way through
11 the completion of the order, meaning the provisioning
12 and that whole thing.

13 Q. Okay. Are you saying that pre-ordering
14 and ordering in this flow chart are not two separate
15 steps that require two separate manual human work
16 efforts?

17 A. In this diagram it shows that it is one
18 transaction that's flowing through all the way
19 through.

20 Q. Okay. And do you see any indication on
21 this chart that the pre-ordering functionality feeds
22 the results directly into the ordering system without

1 manual intervention?

2 A. Yes.

3 Q. Okay. All right. So if I hear your
4 answers correctly, is what that means is that
5 someone, whether it's AADS -- I assume it's an AADS
6 employee enters information about a desired customer
7 to be served at one time, and then absent possible
8 fallout, that order -- I'm sorry -- that pre-order
9 flows through to order and gets all the way to the
10 provisioning step with no manual intervention beyond
11 that point.

12 A. Correct.

13 Q. Okay. Now let's talk about whether or
14 not Rhythms gets the same thing or not. All right?

15 A. Okay.

16 Q. You were here yesterday when Ms. Jacobsen
17 noted that you used to work for NightFire. Is that
18 right?

19 A. Yes.

20 Q. Did you ever work for Ms. Jacobsen as
21 well?

22 A. She hired me out of Pacific Bell.

1 Q. Okay. What did you do at NightFire that
2 might be relevant to the issues before us in this
3 case?

4 A. I was the EDI, again, EDI change
5 management person responsible for the ILEC changes.
6 NightFire is a vendor that provides the EDI software
7 to communicate between a CLEC and an ILEC.

8 Q. Okay, and did you -- if you think of it
9 this way, I assume that some people at NightFire work
10 with CLECs to try and figure out what their needs are
11 and work that side of the fence, and some work with
12 the ILECs to try and understand what their systems
13 are so that NightFire could develop software that
14 would talk to the ILEC side.

15 A. That's correct.

16 Q. Which side of those two were you on?

17 A. I was on the ILEC side of that.

18 Q. Okay. So it was your job at NightFire to
19 understand what systems the ILECs had and be able to
20 assist NightFire in designing software that could
21 talk to those systems?

22 A. Correct.

1 Q. Okay. And you mentioned EDI. Is it EDI
2 for the ordering functionality, first of all?

3 A. It is for ordering, yes.

4 Q. Okay, and does NightFire offer a
5 pre-ordering EDI-based product too?

6 A. Very limited, not for each ILEC, no.

7 Q. Okay. Did your work involve -- at
8 NightFire involve working with SBC?

9 A. Yes.

10 Q. Okay. Okay.

11 Does NightFire offer a product that has
12 the same essential functionality or attributes you
13 just described for AADS? That is does NightFire
14 offer a full flow-through integrated, as we've
15 defined those two terms -- (interrupted)?

16 MS. GIBNEY: Your Honor, at this point I'm
17 going to object. I'm sorry. I didn't mean to
18 interrupt, but I'm not seeing why it's relevant what
19 NightFire does or does not do to this particular flow
20 chart and the purpose of this additional direct.

21 MR. BOWEN: It's to compare and contrast, Your
22 Honor. The whole point here is and the whole reason

1 for this examination and this production and this
2 part of the case is Ms. Jacobsen's assertion that
3 Ameritech treats AADS just as it treats Rhythms or
4 any other CLEC, and we're going to establish now with
5 this line of questions that, in fact, it does not.

6 MS. GIBNEY: I think yesterday --
7 (interrupted).

8 MR. BINNIG: How does what NightFire does have
9 any relevance to how Ameritech treats AADS?

10 MR. BOWEN: We will get there with the
11 questions.

12 EXAMINER WOODS: I believe it's independently
13 relevant because my recollection of Ms. Jacobsen's
14 testimony was that NightFire did, in fact, produce
15 this type of software, and I think he can explore it.
16 I do think it's tangential, but I think it's within
17 the scope of rebutting Ms. Jacobsen's testimony.

18 MR. BOWEN: Okay.

19 Q. All right. Let me ask the question
20 again, Mr. Ayala. Does NightFire -- let me ask this
21 question. Is NightFire one of Rhythms' vendors?

22 A. Yes.

1 Q. Okay. And, in fact, is NightFire the
2 vendor to whom Rhythms turns for EDI-based ordering
3 and pre-ordering functionality?

4 A. Yes.

5 Q. Now let me ask you a question. Does
6 NightFire offer a product that is both flow-through
7 and integrated as we've defined those terms this
8 morning?

9 A. No, it does not.

10 Q. Okay. I want to understand why that is.
11 Is it possible or would it be possible for NightFire
12 to offer an integrated product right now to Rhythms?

13 A. No.

14 Q. Why is that?

15 A. They have to be two separate transactions
16 right now just because the way that you would receive
17 that pre-order information is not the way that it's
18 placed on an order.

19 Q. Okay. And what do we call -- or what
20 does Ameritech Illinois call the form or the means by
21 which you order a service?

22 A. An LSR, local service request.

1 Q. Okay. What do you mean when the
2 information is not in the same form between the
3 pre-order return and the information that you put on
4 the LSR?

5 A. The LSR is based upon individual fields
6 that are sent across as defined by OBS.

7 Q. And what's OBS?

8 A. Operations and billing form.

9 Q. Okay.

10 A. It requires that you break down each
11 segment of an address, and that's not the way it gets
12 returned on a pre-order transaction. For example, if
13 we had -- if we got back on the pre-order transaction
14 that the address is 123 Main Street, Suite 1, we
15 cannot just transcribe that to an LSR. We have to
16 break that out field by field, and one field would
17 be, 123, another field is Main, another field is
18 Street, another one is Suite 1, so you would not be
19 able to do like a cut and paste or be able to
20 integrate the two at this time.

21 The same is true for someone's name. The
22 name would come back today on a pre-order transaction

1 as, you know, Professor Joseph Ayala, Ph.D., but on
2 the order transaction we would have to break that up
3 into Professor, Joseph, Ayala. It would be three
4 different segments, so, once again, you're not able
5 to do an integration of pre-order and order.

6 Q. Okay. So let me understand. What comes
7 back -- this is even if you use a mechanized
8 pre-ordering functionality from Ameritech Illinois.
9 Is that right?

10 A. That's right.

11 Q. And the information that's returned comes
12 back electronically first of all, doesn't it?

13 A. Yes, it does.

14 Q. But what you're saying is you take a name
15 -- the whole name comes back in one field? Is that
16 right?

17 A. Yes.

18 Q. And the whole address comes back in one
19 field?

20 A. Yes. It's a string of data.

21 Q. Okay. And then to do the LSR you have to
22 break that apart, as you testified, and put Professor

1 and Joseph and Ayala and Ph.D. in four separate
2 fields?

3 A. That 's correct.

4 Q. And you have to put the street address in
5 a number of fields that are separate?

6 A. That's correct.

7 Q. What happens if you try to put all the
8 information in one field?

9 A. You'll get a reject back from the ILEC.

10 Q. So the order won't go through then.

11 A. It will not go through.

12 Q. Okay. All right.

13 So is it your testimony then that even if
14 NightFire wanted to do the kind of integration we've
15 been discussing, it couldn't because of the way
16 Ameritech Illinois returns data?

17 A. That's correct.

18 Q. Okay. And also the way Ameritech
19 requires data to be put in on the ordering form?

20 A. That's correct.

21 Q. Okay. All right. Well, let's come back
22 now to that flow chart you described; that is the

1 page 8 from exhibit I think it's 6. Yeah.

2 MR. PABIAN: Tab 6.

3 Q. It looks to me from your answers like
4 Ameritech Illinois has somehow managed to transmit
5 information to AADS that doesn't have this problem.
6 Is that what you're saying?

7 A. That's what it looks like from the
8 documentation.

9 Q. Okay, but you can't tell from looking at
10 this how exactly that happens?

11 A. No.

12 MR. BOWEN: That concludes our additional
13 direct testimony, Your Honor. The witness is
14 available for cross.

15 MS. GIBNEY: Thank you.

16 CROSS EXAMINATION

17 BY MS. GIBNEY:

18 Q. Good morning, Mr. Ayala.

19 A. Good morning.

20 Q. My name is Kara Gibney. I'm representing
21 Ameritech Illinois.

22 The documents that you were just looking

1 at.

2 A. Uh-huh.

3 Q. When was the first time that you saw
4 those documents?

5 A. I saw this yesterday.

6 Q. Yesterday. And have you personally
7 discussed the contents of those documents with any
8 AADS representative?

9 A. No.

10 Q. Okay. Have you personally discussed the
11 contents of those documents with any Ameritech
12 Illinois employee?

13 A. No.

14 Q. Okay.

15 A. I don't think I'm allowed to.

16 Q. Well, you never know.

17 (Laughter)

18 Okay. I'm going to go to your Exhibit 8,
19 or 6, I'm sorry, page 8, your flow chart.

20 A. Uh-huh.

21 Q. If you look two boxes -- if you start on
22 the left-hand side and you look two boxes over and

1 one box down, -- can I say what's in the box or no?

2 MR. BOWEN: I don't think so, but I don't know.

3 Q. The top line is the pre-ordering process,
4 right along the top?

5 A. Right, and it also carries down to --
6 right. It looks like it's the first line.

7 Q. Okay, and doesn't the second two lines,
8 in particular the second box over and the first line
9 -- and the second line, sorry, and the first box in
10 the third line, don't those two boxes also show
11 manual intervention or intervention by an actual
12 person?

13 A. It shows the order, yes.

14 Q. Doesn't it show -- the question was
15 doesn't those two boxes show manual intervention, in
16 other words, intervention by an actual person? Yes
17 or no?

18 A. Yes.

19 Q. Okay.

20 A. It shows --

21 Q. Thank you. That's --

22 A. It shows the interaction between

1 pre-order, as you described in line 1, and the order
2 that you described in line 2 and 3 as handled by the
3 same exact flow, yes.

4 Q. It shows intervention by a person.
5 Correct?

6 A. Correct.

7 Q. Okay. That's the only questions I have
8 on that particular part.

9 Okay. Now let's go to your surrebuttal
10 testimony.

11 A. Okay.

12 Q. Well, first with respect to your
13 qualifications, when did you begin working for
14 Rhythms?

15 A. Two months ago.

16 Q. Two months ago? Okay. And I don't want
17 to get into the specifics of the PORs because I think
18 it's been covered fully in the testimony.

19 A. Correct.

20 Q. But did you not -- you didn't personally
21 attend any of the PORs on behalf of Rhythms?

22 A. In person, no.

1 Q. Okay. Would you agree with me that there
2 are distinct OSS functions, pre-ordering, ordering,
3 provisioning, maintenance and repair and billing?

4 A. Yes.

5 Q. And would you also agree that loop
6 qualification that we've been talking about for the
7 last day or so goes to the pre-ordering function?

8 A. It's a pre-order function tied very
9 closely to the ordering function, yes. You can't
10 have one without the other.

11 Q. Okay. Are you familiar with paragraph
12 426 of the UNE Remand Order I assume?

13 A. I have the UNE Remand.

14 Q. In front of you?

15 A. And I do have 426, yes.

16 Q. And if you go halfway down that paragraph
17 with the sentence that begins "We agree", and it
18 reads: "We agree with ALTS, however, that the
19 Commission should clarify that the pre-ordering
20 function includes access to loop qualification
21 information." That's what that reads?

22 A. That's what that reads.

1 Q. Okay. So --

2 A. At the end of that paragraph it also says
3 "This information is needed by carriers seeking to
4 provide advanced services over those loops through
5 the use of packaged switches and DSLAMs".

6 Q. Okay. That's fine. Your counsel can
7 always redirect you on additional things.

8 A. Right. I'm just answering the question.

9 Q. But that's what that sentence reads,
10 right?

11 A. It does.

12 Q. Okay, and so loop qualification wouldn't
13 necessarily be part of the provisioning or the
14 maintenance and repair or the ordering or any of the
15 other functions directly, I mean directly, like it is
16 for the pre-ordering.

17 A. You know, I would disagree with that.

18 Q. Okay.

19 A. I need my pre-order -- the information
20 coming back from a pre-order transaction to do the
21 ordering piece, to know what I'm provisioning and
22 also maintenance and repair.

1 Q. Now there was some talk yesterday about
2 what OSS is. Would you agree that OSS is -- that an
3 OSS system would be a system that contained
4 information related to those five functions?

5 A. And the information contained therein,
6 yes.

7 Q. Right. It wouldn't necessarily contain
8 anything outside of those five functions.

9 A. Well, --

10 Q. Is it five?

11 MR. BOWEN: I'm sorry. What is the it in your
12 question.

13 A. What's the question?

14 Q. An OSS system wouldn't necessarily
15 contain anything other than what's in those five
16 functions.

17 A. Well, I don't know. I've never --
18 haven't seen all of the OSS systems to be able to
19 give you an answer as to all the data that's included
20 in them.

21 Q. Okay. Well, the FCC, wouldn't you agree,
22 did define the OSS that we're required to provide you

1 as just those five functions?

2 A. Those five functions as well as the
3 information of manual documents that you have.

4 Q. Sure, sure.

5 A. All of that is the OSS definition.

6 Q. Okay.

7 On page 4 of your surrebuttal testimony,
8 and I just want to clarify your position here.

9 A. Uh-huh.

10 Q. I'm looking at the second bullet point.

11 A. Yes.

12 Q. I said surrebuttal, right?

13 A. Yes, you did.

14 Q. Okay, and the second sentence in there
15 says Ameritech Illinois should be required to offer
16 read-only direct access to CLECs for OSS related to
17 pre-ordering, ordering provisioning, maintenance and
18 repair and billing, and then in the sentence above
19 that you say direct access to information that is
20 available to its own employees. By its own employees
21 are you talking about retail representatives or any
22 Ameritech Illinois employee?

1 A. I'm talking any person who works at
2 Ameritech.

3 Q. Okay. And so you're saying for all of
4 those five functions --

5 A. Yes.

6 Q. -- information available to any
7 employee.

8 A. Yes.

9 Q. Okay. All right.

10 Going on to page 15.

11 A. Yes.

12 Q. And I'm on lines 5 through the end of
13 that first paragraph, and you again say such position
14 is directly contrary to the FCC's UNE Remand Order
15 which expressly states that CLECs are entitled to all
16 information in Ameritech Illinois' backend systems,
17 databases and records available to any employee.

18 A. Uh-huh.

19 Q. Again, you're saying all information
20 meaning all five functions? Is that what you're --
21 information in -- are you saying the same thing here
22 as what you just -- what we just talked about?

1 A. Yes.

2 Q. Okay. And then you follow with a quote
3 from the UNE Remand Order to support your position.

4 A. Right.

5 Q. Okay. And you can either look at your
6 quote or you can look at the entire paragraph if
7 you'd like. I think it's paragraph 430, even though
8 it says 428 at the bottom of your page there. Isn't
9 it true that there in line 11 in your testimony
10 within the quote it specifically mentions loop
11 qualification information?

12 A. That's correct.

13 Q. Okay. It doesn't specifically mention
14 any of the other four functions in that paragraph.
15 Is that right?

16 A. Well, I'd like to look at the UNE Remand
17 Order.

18 Q. No, go ahead.

19 (Brief pause in the proceedings.)

20 A. Right, yes.

21 Q. Okay.

22 Are you familiar with paragraph 523 of the

1 First Report and Order?

2 A. Do you have --

3 Q. I do, yes.

4 A. I probably have it. I just want to make
5 sure.

6 (Whereupon said document was
7 provided to the witness by
8 Ms. Gibney.)

9 MR. BOWEN: Counsel, can you give me -- what
10 are you showing the witness and what paragraph,
11 please?

12 MS. GIBNEY: Oh, it's 523 of the First Report
13 and Order.

14 MR. BOWEN: We don't have that with us.

15 MR. BINNIG: We've got an extra copy, Steve, if
16 you'd like.

17 MR. BOWEN: I appreciate that. Thanks.

18 Which one again?

19 MS. GIBNEY: 523.

20 Q. And looking at the second sentence, it
21 says "nondiscriminatory access necessarily includes
22 access to functionality of any internal gateway

1 systems..."

2 A. Correct.

3 Q. Would you consider EDI a gateway system?

4 A. Would I consider EDI a gateway system?

5 Q. Yes.

6 A. Yes.

7 Q. Okay, and then that sentence goes on to
8 say "the incumbent employs in performing the above
9 functions for its customers. For example, to the
10 extent that customer service representatives of the
11 incumbent have access to available telephone numbers
12 or service interval information during customer
13 contacts, the incumbent must provide the same access
14 to competing providers." And your counsel can point
15 you to other paragraphs if you'd like, but in this
16 particular paragraph wouldn't you agree with me that
17 they're discussing customer service representatives
18 rather than all Ameritech Illinois employees?

19 MR. BOWEN: Objection. You haven't read
20 anything that references customer service reps at all
21 yet.

22 MR. BINNIG: Sure she did.

1 MS. GIBNEY: Well, it says customer service
2 representatives. I read the words customer service
3 representatives.

4 MR. BOWEN: Day four. I apologize.

5 A. I would agree with you that it says for
6 example, a customer service rep.

7 Q. Okay. That's fair.

8 A. I would not agree with you that that is
9 saying only a customer rep because that's not what
10 it's saying. They're just merely stating an example.

11 Q. Okay. Okay. That's fair.

12 Is it fair to say that with direct access,
13 CLECs could potentially view all the information in a
14 particular system, in a back-office system?

15 A. With direct access that's the point, yes.

16 Q. And is it fair to say that sitting here
17 today you couldn't say all of the information that's
18 contained in any particular back-office system?

19 A. That I can't today?

20 Q. Right.

21 A. I can't today, right.

22 Q. On line 2 of your surrebuttal -- I'm

1 sorry -- page 2 of your surrebuttal testimony you say
2 "I will demonstrate that giving CLECs direct access
3 to Ameritech Illinois' databases backend systems and
4 records will not cause the disclosure of
5 information". The only question I have about --

6 A. Where are you at?

7 Q. Oh, I'm sorry. On page 2 I'm on lines 22
8 through 23.

9 A. Okay.

10 Q. And then it carries over to 23 -- or I'm
11 sorry -- to page 3.

12 A. Yes.

13 Q. The only question I have on that is with
14 that sentence, you're not saying, are you, that there
15 is no confidential information in our systems, are
16 you?

17 A. No. What I'm saying is --

18 Q. No, that's fine.

19 A. -- that a Rhythms employee would not
20 disclose --

21 MS. GIBNEY: Your counsel can --

22 A. -- any information --

1 MS. GIBNEY: I'm sorry.

2 MR. BOWEN: Excuse me. You need to let the
3 witness complete his answer.

4 MS. GIBNEY: Okay.

5 EXAMINER WOODS: Generally speaking, we're
6 pretty lenient about allowing people to complete
7 answers.

8 MS. GIBNEY: Okay.

9 Q. Go ahead.

10 A. I was going to say that what this means
11 is no Rhythms employee would disclose any
12 confidential information that they receive in the
13 same manner that they don't, you know, give out
14 confidential information that they view with their
15 own -- our own end users we have today.

16 Q. Okay. And you're not saying that those
17 backend systems would not contain any information
18 that's not related to xDSL or provisioning xDSL. Is
19 that correct?

20 A. I haven't done an audit of that system to
21 be able to give you an answer.

22 Q. Okay. Okay. But assuming that such

1 information were in a particular system, with direct
2 access a CLEC could potentially view that
3 information. Correct?

4 A. Correct.

5 Q. Let's assume that you did have direct
6 access to a back-office system.

7 A. Okay.

8 Q. A happy assumption for you.

9 A. Uh-huh.

10 Q. And let's assume that you did whatever
11 inputs you need to do and you were viewing the loops
12 that were going to a particular office building or
13 something, and by viewing that you could see
14 Ameritech Illinois' voice loop going in there.

15 A. Yes.

16 Q. And you could also see an xDSL loop to
17 that building.

18 A. Yes.

19 Q. And let's assume for argument sake that
20 that xDSL loop was Covad's. They were using that to
21 provide service to that particular building. Do you
22 think that -- are you asserting a right here that

1 Rhythms should be able to see that loop of Covad's?

2 A. If we saw the loop, you know, we would be
3 seeing the loop, but I don't know if there's any
4 proprietary information in looking to see what a loop
5 is. A loop is a loop, you know, if I was just
6 viewing a loop.

7 Q. Okay. Sure. Do you currently see that
8 kind of information of CLECs?

9 MR. BOWEN: Your Honor, I'm going to object. I
10 think that the problem here is that counsel is not
11 specifying what system she's talking about, and I
12 think the witness is answering about a system that he
13 has in mind, so it might help if you could specify
14 what system you're suggesting.

15 MS. GIBNEY: Okay. We'll just go on.

16 Q. All right. If it were proven, and this
17 is going to be a big assumption for you to make.

18 A. Okay.

19 Q. If it were proven that CLECs were
20 receiving all information relevant to loop
21 qualification via the gateways that they currently
22 have or the GUIs, direct access wouldn't necessarily

1 give you any more information. Correct?

2 A. I would say --

3 MR. BOWEN: Is counsel asking the witness to
4 confirm a syllogism? I guess I don't understand the
5 purpose of the question.

6 EXAMINER WOODS: He can answer.

7 MR. BOWEN: Okay.

8 A. I would disagree, and I'll explain why.
9 With so many new technologies coming out, for
10 example, if I went back to the beginning of this year
11 before line sharing, you know, and I was doing just
12 basic loop ordering and I was using information
13 through a gateway, I would only be receiving
14 information through the gateway for basic loops. If
15 we move to let's say line sharing on May 27th of this
16 year, there would be new information now in that
17 backend database that I would now want to see because
18 the information I would need for line sharing is
19 different and more intensive than a basic loop. If I
20 had direct access, then on exactly on May 27th with
21 the implementation of line sharing I would be able to
22 now go into that backend system and pull the

1 information I needed to without having to wait for a
2 systems release that would update a gateway to allow
3 me to grab that new information.

4 Q. Okay.

5 Page 24 of your surrebuttal you state in
6 lines 2 through 3.

7 A. Yes.

8 Q. "The evidence in the line sharing
9 arbitration shows that large numbers of SBC employees
10 have direct access to these systems". I assume when
11 you mention the line sharing arbitration you're
12 speaking of the Rhythms and Covad arbitration?

13 A. That's correct.

14 Q. Did you participate in that proceeding?

15 A. No.

16 Q. Okay. Have you read the Commission's
17 Order in that decision?

18 A. If I saw it, I would be able to tell you.
19 Do you have a copy of that?

20 Q. Oh, sure. I have one so I'll have to
21 share with you, but this is the order.

22 (Whereupon said document was

1 provided to the witness.)

2 A. I don't think I've seen that.

3 MS. GIBNEY: I believe I have a couple more
4 questions.

5 Q. We talked earlier about NightFire. You
6 left NightFire about two months ago. Is that right?

7 A. Yes, that's correct.

8 Q. And doesn't NightFire offer to CLECs a
9 software package that allows CLECs to integrate their
10 pre-ordering and ordering functions for use with the
11 Pacific Bell systems?

12 A. No, they don't. I had responsibility for
13 Pacific Bell while I was at NightFire. It continues
14 to be two separate transactions. You would do a loop
15 equal or an address validation. The CLEC would have
16 to get the information back. Then they would have to
17 place their order to Pacific Bell. Now both of those
18 transactions are through EDI. However, they are not
19 integrated pre-order and order, and currently at
20 Rhythms they do use the NightFire software package to
21 do their pre-order and order for PacBell, and our
22 reps have to do two separate transactions. It is not

1 integrated.

2 (Pause in the proceedings).

3 MS. GIBNEY: I'm sorry. We just need a minute.

4 I'll still be within my time limit.

5 (Pause in the proceedings.)

6 Q. Isn't it correct that the information
7 that you receive back from a loop qualification
8 request is not the information that you put on an
9 LSR?

10 A. I'm hesitating because I'm trying to
11 think of all the fields that come back on loop qual
12 today and see if we use any of them, because if I
13 told you no and we found one later, I would be
14 mistaken. I can't say for certain that 100 percent
15 of those data elements, that not one of them would be
16 one that you'd use on the request command.

17 Q. But the loop qualification information
18 itself is not put on the LSR.

19 A. Maybe, maybe not. I don't know if
20 there's not one.

21 Q. Okay, but for the most part.

22 A. For the most part, most of the

1 information you would take from loop qual, and you
2 would then place your order based on that
3 information.

4 MS. GIBNEY: Okay. That's all the questions
5 that we have.

6 MR. BOWEN: Could we have two minutes?

7 EXAMINER WOODS: Yeah.

8 (Whereupon a short recess was
9 taken.)

10 EXAMINER WOODS: Back on the record.

11 REDIRECT EXAMINATION

12 BY MR. BOWEN:

13 Q. All right. Mr. Ayala, do you recall
14 questions from Ameritech Illinois counsel that
15 referenced you to this very large First Report and
16 Order of the FCC?

17 A. Yes.

18 Q. That's the local competition order in
19 common parlance. Is that right?

20 A. What section?

21 Q. Never mind. I'll withdraw that question.

22 This was released August 8th of '96.

1 Right? Look at the first -- the cover.

2 A. Yes.

3 Q. Okay. Now you were referenced to
4 paragraph 523, right, by counsel for Ameritech
5 Illinois?

6 A. Let me see what 523 is. Yes, that's
7 correct.

8 Q. Okay. Now do you see in there, in that
9 same paragraph, the first sentence is it fair to say
10 requires Ameritech Illinois, as of August 8th of '96,
11 to give Rhythms nondiscriminatory access to all the
12 OSSs as we've defined them today? Is that fair?

13 A. That's correct.

14 Q. Okay. The next sentence that counsel
15 asked you to read said that access necessarily
16 includes access to the functionality of internal
17 gateway systems. Do you see that?

18 A. Yes.

19 Q. Well, do you interpret the word includes
20 to mean that all they're required to give Rhythms is
21 just that functionality of internal gateway systems?

22 A. No.

1 Q. What do you interpret the word includes
2 to mean?

3 A. The word includes to me implies that
4 there's more than one thing going on and more than
5 one offering or whatever that we're entitled to.

6 Q. Okay.

7 A. And this is just an example.

8 Q. And then the other sentence that counsel
9 asked you to read begins by the words "For example",
10 doesn't it?

11 A. Yes, it does.

12 Q. All right. Do you think it's fair to
13 conclude from the use of the words "includes" and
14 "for example" by the FCC, that those, in fact, were
15 examples and were not meant to indicate that that was
16 the list of what was required?

17 MS. GIBNEY: I'd object. That's a leading
18 question.

19 EXAMINER WOODS: Oh, no.

20 MR. BOWEN: I'd never lead my witness.

21 EXAMINER WOODS: Not leading.

22 MS. HAMILL: Ms. Bowen.

1 EXAMINER WOODS: Actually I think it verges on
2 argument as opposed to redirect.

3 MR. BOWEN: Okay. I'll withdraw it.

4 Q. And then do you recall a couple of
5 questions from counsel for Ameritech Illinois
6 referencing your testimony concerning confidential
7 information that might reside in the OSSs of
8 Ameritech Illinois?

9 A. That's correct.

10 Q. And I think the question was something
11 like you aren't saying that there isn't any
12 confidential information in those systems, are you?
13 Do you recall that question?

14 A. Yes, I do.

15 Q. Okay. Well, let's be clear. Have you
16 had the chance to look at any of the OSSs of
17 Ameritech Illinois yet?

18 A. No.

19 Q. Okay. And do you know if Rhythms has
20 asked for that access?

21 A. Yes.

22 Q. Okay. And do you think or do you know

1 whether or not we're going to get that kind of look
2 that would allow you to confirm what's actually in
3 there or not?

4 A. I think eventually we will.

5 Q. Okay. But you haven't yet.

6 A. I haven't yet.

7 Q. And would you need such access to be able
8 to answer that question definitively?

9 A. Yes.

10 MR. BOWEN: Okay. That's all we have, Your
11 Honor.

12 MS. GIBNEY: Nothing.

13 EXAMINER WOODS: Thank you, Mr. Ayala.

14 (Witness excused.)

15 MR. BOWEN: Mr. Riolo?

16 EXAMINER WOODS: Yeah, why don't you call
17 Mr. Riolo. Let's take a break. I want to grab
18 another cup of coffee.

19 (Whereupon a short recess was
20 taken.)

21 EXAMINER WOODS: Back on the record.

22 MR. BOWEN: All right. Rhythms calls Mr. Riolo

1 who was previously sworn.

2 EXAMINER WOODS: All right.

3 JOSEPH P. RIOLO

4 called as a witness on behalf of Rhythms Links, Inc.,

5 having been first duly sworn, was examined and

6 testified as follows:

7 DIRECT EXAMINATION

8 BY MR. BOWEN:

9 Q. Could you, Mr. Riolo, state for the
10 record, please, your full name and business address?

11 THE WITNESS:

12 A. Yes. My name is Joseph P. Riolo,
13 R-I-O-L-O. My business address is 102 Roosevelt
14 Drive, East Norwich, New York 11732.

15 Q. Okay. Now you have -- you're sponsoring
16 four separate sets of testimony here, so I want to
17 walk through those one set at a time, identify the
18 testimony, get your changes, and identify the
19 attachments which are separately numbered exhibits
20 for the record, so let's start with your direct
21 testimony. Oh, and to make matters only a bit more
22 complicated, two of your sets have both a public

1 version and a confidential version.

2 A. That's correct.

3 Q. Okay. So let's start with the direct.

4 Do you have before you a document entitled Direct

5 Testimony of Joseph P. Riolo marked as Rhythms

6 Exhibit 2.0? It consists, at least the testimony

7 portion, of 71 pages of questions and answers?

8 A. Yes, I do.

9 Q. Okay. All right. Do you have any
10 corrections -- let's do the public version of this
11 first. Do you have any corrections to that version?

12 A. Yes, I do.

13 Q. Could you indicate those for the record,
14 please?

15 A. On page 17, at line 9, the number \$905.82
16 should read \$569.92.

17 On page 17 at line 10 the number that
18 reads \$301.94 should read \$743.85.

19 On page 17 at line 12 the number that
20 reads \$1,207.76 should read \$1,313.77.

21 And on page 17 at line 15 the number that
22 reads \$60,388 should read \$65,688.50.

1 Moreover, on page 28 question number 42
2 should be deleted in its entirety.

3 I have a change in the exhibit, if you
4 would like to get to that at this point.

5 Q. Let's get there in just a moment. Do you
6 have any more changes to the question and answer text
7 to Exhibit 2.0?

8 A. No, I do not.

9 Q. Okay. And with those corrections, are
10 the answers there true and correct to the best of
11 your information and belief?

12 A. Yes, they are.

13 Q. And if I were to ask you the same
14 questions today, would your answers be the same?

15 A. Yes, they would.

16 Q. All right. Now attached to that public
17 version of your direct testimony, if I got this right
18 in my notes, I see the following exhibit numbers:
19 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, and 2.10. How did
20 I do?

21 A. On the public.

22 Q. This is the public version.

1 A. On the public, right.

2 Q. I believe that 2.8 and 2.9 are
3 confidential.

4 A. That's correct.

5 Q. Okay. And were the exhibit numbers I
6 mentioned supplied by you?

7 A. Yes, they were.

8 Q. Okay, and is the information contained in
9 those exhibits correct to the best of your
10 information and belief?

11 A. I have one correction to make.

12 Q. Okay.

13 A. That would be Exhibit 2.7 that's in the
14 package should be deleted and this 2.7 should be
15 inserted.

16 MR. BOWEN: Yes, and, Your Honor, I have
17 already done that replacement with the copy given to
18 Your Honor and to the reporter, and we are passing
19 out replacement pages to the parties.

20 Q. So, Mr. Riolo, that is a full replacement
21 for what was the original 2.7?

22 A. Yes, it is.

1 Q. Okay. Any further corrections or
2 substitutes?

3 A. No, there are not.

4 Q. Okay. All right. Now you also have in
5 front of you I believe a confidential version of your
6 direct testimony. Is that correct?

7 A. Yes, I do.

8 Q. And does that also consist of 71 pages of
9 questions and answers?

10 A. Yes, it does.

11 Q. Okay. Do you have any different
12 corrections to the confidential version than you've
13 listed for the public version?

14 A. No, I do not. The same corrections that
15 applied to the redacted version apply to the
16 confidential version.

17 Q. Okay. Now, again, by my count, I see
18 attached to the confidential version the following
19 exhibit numbers: 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7,
20 2.8, 2.9, and 2.10. Do you show the same
21 attachments?

22 A. Yes, I do.

1 Q. And am I correct that Exhibits 2.8 and
2 2.9 are confidential exhibits supplied only in this
3 copy?

4 A. Yes, you are.

5 Q. Okay. Now, with those same corrections
6 to the question and answer portion of the testimony,
7 if I were to ask you those questions today, would
8 your answers be the same?

9 A. Yes, they would.

10 Q. And are they true and correct to the best
11 of your information and belief?

12 A. Yes, they are.

13 Q. And are Exhibits 2.1 through 2.10 -- were
14 they supplied by you?

15 A. Well, with the exception, obviously, the
16 ones that were forwarded to us in discovery, but yes.

17 Q. Yes. And is the information contained
18 therein accurate to the best of your information and
19 belief?

20 A. Again, with the exception of what was
21 originally supplied as Exhibit 2.7 similarly should
22 be replaced with the one that we showed in the

1 redacted version.

2 MR. BOWEN: Okay, and Your Honor, I'm not going
3 to redistribute at this point different versions of
4 2.7. It's the same replacement as was done in the
5 public version of that exhibit.

6 Q. All right. Let's turn next to the
7 testimony that you're adopting of Michael Zulevic.
8 Do you have that in front of you?

9 A. Yes, I do.

10 Q. And in particular do you have before you
11 a document that was prefiled as Direct Testimony of
12 Michael Zulevic marked originally as Covad Exhibit
13 2.0?

14 A. Yes, I do.

15 MR. BOWEN: Your Honor, I don't know what your
16 preference is on exhibit markings. Obviously it
17 can't be a Covad exhibit. Did you want us to assign
18 Exhibit 7 to that?

19 EXAMINER WOODS: Yes.

20 MR. BOWEN: Okay.

21 Q. Let's refer to that as Exhibit 7,
22 Mr. Riolo.

1 A. Okay.

2 Q. And does that consist of 29 pages of
3 questions and answers?

4 A. Yes, it does.

5 Q. And does it have three attachments
6 labeled Attachment A, B, and C?

7 A. Yes, it does.

8 Q. Okay. Do you have any changes or
9 corrections to that exhibit?

10 A. Yes. I have several modifications,
11 obviously, since I'm adopting Michael Zulevic's
12 testimony, primarily dealing with his qualifications.

13 Q. Why don't you go ahead and list those,
14 please, for the record.

15 A. Okay. Page 1, question number 1 should
16 be deleted in its entirety. On page 1, question
17 number 2 --

18 Q. Let me stop you. You mean the question
19 and the answer?

20 A. I'm sorry; the question and the answer.

21 Q. Okay.

22 A. On page 1, question number 2 and its

1 answer which goes on to page 2 should be deleted in
2 its entirety.

3 Q. Okay.

4 A. On page 4 , in the second paragraph the
5 sentence that reads "The service simply will not work
6 more than 18,000 feet from the Digital Subscriber
7 Line Access Multiplexer (DSLAM) that generates the
8 DSL signal", that sentence ought to be deleted.

9 Page 6, question and answer number 9
10 should be deleted in its entirety.

11 On page 7, the answer in question 10, the
12 second line has the word DSO. That should be
13 deleted, just the word.

14 Page 13, the answer to question 20 has a
15 sentence: "It is also based on my actual experience
16 seeing this architecture in Qwest central offices."
17 That sentence should be deleted.

18 Page 15, question and answer 22 should be
19 deleted in its entirety.

20 Page 22, question and answer 30 should be
21 deleted in its entirety.

22 On page 28, question and answer number 39

1 should be deleted in its entirety.

2 Those are all the corrections I have.

3 Q. Well, maybe not.

4 (Laughter)

5 Let me take you back to page 5. I think
6 you might have missed one on page 5.

7 A. I missed on page 5 the word DSO that
8 shows on the second line of the answer to question
9 number 7.

10 Q. Okay. And just for clarity's sake, you
11 referenced question and answer 30 on page 22, but
12 that carries over to page 23. Did you mean to strike
13 the balance of the answer on 23?

14 A. Yes, I did.

15 Q. Okay. And do you have any corrections to
16 any of the attachments to that testimony?

17 A. No, I do not.

18 Q. Okay. Now with those corrections, if I
19 were to ask you the questions contained therein
20 today, would your answers be the same?

21 A. Yes, they would.

22 Q. And is that testimony true and correct to

1 the best of your information and belief?

2 A. Yes, it is.

3 Q. Let's turn next to your rebuttal
4 testimony, Mr. Riolo. Do you have before you a
5 document entitled Rebuttal Testimony of Joseph P.
6 Riolo marked as Rhythms Exhibit 3.0?

7 A. Yes, I do.

8 Q. And that's two pages of questions and
9 answers. Correct?

10 A. Yes, it is.

11 Q. Do you have any corrections to that
12 testimony?

13 A. No, I do not.

14 Q. Okay. If I were to ask you the same
15 questions today, would your answers be the same?

16 A. Yes, they would.

17 Q. And is the information contained therein
18 true and correct to the best of your information and
19 belief?

20 A. Yes, it is.

21 Q. Okay, and then finally you have
22 surrebuttal testimony. Is that correct?

1 A. Yes, I do.

2 Q. And I believe you have both a public and
3 confidential version of that?

4 A. Yes, I do.

5 Q. Let's do the public version first. Do
6 you have before you a document entitled Surrebuttal
7 Testimony of Joseph P. Riolo labeled Rhythms Exhibit
8 2.11 and consisting of 25 pages of questions and
9 answers?

10 A. Yes, I do.

11 Q. Okay. And attached thereto are there two
12 exhibits labeled Rhythms Exhibit 2.12 and Rhythms
13 Exhibit 2.13?

14 A. Yes, there are.

15 Q. Do you have any changes or corrections to
16 the question and answer portion of that testimony?

17 A. Just two typos.

18 Q. Okay.

19 A. On the first page the page numbering
20 scheme says page 1 of 24, and indeed it should say
21 page 1 of 25.

22 Q. Okay.

1 A. On page 2 at line 16 the word "servicing"
2 should read "serving". Those are all the
3 corrections.

4 Q. Okay. And do you have any corrections to
5 either of Exhibit 2.12 or 2.13?

6 A. No, I do not.

7 Q. Okay. With those corrections, if I were
8 to ask you the questions contained in your
9 surrebuttal testimony today, would your answers be
10 the same?

11 A. Yes, they would.

12 Q. And is the information contained therein
13 true and correct to the best of your information and
14 belief?

15 A. Yes, it is.

16 Q. And did you supply the two exhibit
17 attachments to your testimony?

18 A. Yes, I did.

19 Q. And is the information contained therein
20 accurate to the best of your information?

21 A. Yes, it is.

22 Q. Okay. Finally, you have a confidential

1 version of this testimony. Is that right?

2 A. Yes, I do.

3 Q. And that's also labeled Surrebuttal
4 Testimony of Joseph P. Riolo. It consists of 25
5 pages of questions and answers. Is that right?

6 A. Yes, it is.

7 Q. Okay. Do you have any corrections to
8 that?

9 A. The same corrections that we spoke of to
10 the redacted version. On page 1 it should read page
11 1 of 25, and on page 2 the word "servicing" at line
12 16 should read "serving".

13 Q. Okay. And I believe attached to the
14 confidential versions are the same two exhibits, 2.12
15 and 2.13. Is that right?

16 A. Yes, they are.

17 Q. Okay. With those corrections, if I were
18 to ask you the same questions today, would your
19 answers be the same?

20 A. Yes, they would.

21 Q. And is the information contained therein
22 true and correct to the best of your information and

1 belief?

2 A. Yes, it is.

3 Q. And you also supplied those same two
4 exhibits to your confidential testimony. Right?

5 A. Yes, I did.

6 Q. And the information therein is accurate
7 to the best of your information and belief?

8 A. Yes, it is.

9 MR. BOWEN: All right, Your Honor. We would
10 then move the admission of the following exhibits,
11 and Exhibit 2.0 has both a confidential and public
12 version, but 2.02.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7 as
13 replaced, 2.8 confidential, 2.9 confidential, 2.10,
14 7.0 together with the three attachments, 3.0, 2.11,
15 again which has a public version and a confidential
16 version, 2.12, and 2.13. I think I got that right.

17 EXAMINER WOODS: Objection?

18 MR. BINNIG: No objection.

19 EXAMINER WOODS: The documents will be admitted
20 upon receipt.

21 (Whereupon Rhythms Exhibits 2.0,
22 2.P, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,

1 2.7, 2.8P, 2.9P, 2.10, 2.11, 2.11P,
2 2.12, 2.13, 3.0, and 7.0 were
3 marked for identification and
4 received into evidence.)

5 MR. BOWEN: Okay. The witness is available for
6 cross-examination, Your Honor.

7 CROSS EXAMINATION

8 BY MR. BINNIG:

9 Q. Good morning, Mr. Riolo.

10 A. Good morning.

11 Q. It's good to see you again.

12 A. Thank you.

13 Q. I want to ask you about one of the
14 changes that -- a group of changes that you made to
15 your direct testimony. This would have been the
16 changes you made to the loop conditioning prices.

17 A. I assume you're referring to question 26
18 and the numbers associated with it?

19 Q. Yes.

20 A. Okay.

21 Q. The numbers that you replaced, are those
22 loop conditioning charges of some other ILEC?

1 A. Quite frankly, I don't know where the
2 numbers came from, but in going through it I did
3 notice a discrepancy, and I changed it to the tariff
4 that was submitted by Ameritech Illinois.

5 Q. Okay. Now I want to ask you some
6 preliminary questions. I think you've probably heard
7 most of these before.

8 You've been a consultant since 1992. Is
9 that correct?

10 A. That is correct.

11 Q. And other than participating in the early
12 '90s in meetings with the New York Public Service
13 Commission on behalf of NYNEX, all of your testifying
14 experience as a consultant has been on behalf of
15 CLECs, including MCI and AT&T. Is that correct?

16 A. With the notable exception of also
17 representing a small independent telephone company in
18 Maine.

19 Q. Okay.

20 A. Called the Mid Maine Telephone Company.

21 Q. Your recollection has been refreshed I
22 think from when we last met. I don't remember you

1 mentioning that one.

2 A. It's in my CV. If I failed to mention
3 it, it was included in my CV as well.

4 Q. Okay. That's fine. So you have never
5 testified on behalf of a Bell Operating Company, is
6 that correct, other than the NYNEX meetings that we
7 talked about?

8 A. Other than NYNEX, that's correct.

9 Q. And currently approximately 100 percent
10 of your consulting business is work for AT&T or for
11 other CLECs. Is that correct?

12 A. A very high percentage. It wouldn't be
13 100, but it's a high percentage.

14 Q. Essentially all?

15 A. I wouldn't say all, but a number of that
16 would probably range in the 90 percentile, 80
17 percentile.

18 Q. Okay. You recall that you testified on
19 behalf of AT&T in an arbitration with Ameritech
20 Wisconsin just over a month ago, September 5th?

21 A. Yes, I do.

22 Q. By 90 percent, would that be, in your

1 view, the same thing as saying that nearly all of
2 your consulting business is on behalf of AT&T or
3 other CLECs?

4 A. Well, at that point in time it probably
5 was closer to nearly all, but I have consulted for an
6 equipment supplier since then.

7 Q. Since that time?

8 A. Yes.

9 Q. Okay. That's fine. Now we're up to
10 date.

11 A. All right.

12 Q. Now you've never been employed by SBC or
13 any SBC operating company. Correct?

14 A. No, I have not.

15 Q. So the record is clear, my question is
16 correct then.

17 A. Yes, your question is correct that I have
18 not been employed by SBC.

19 Q. And prior to 1992 when you worked for
20 NYNEX and AT&T, were you ever a line engineer for
21 outside plant?

22 A. Yes.

1 Q. Okay. Do you have your CV there? I
2 think it's Exhibit 2.1. I just want to try to figure
3 out when, in fact , you were a line engineer for
4 outside plant.

5 (Pause in the proceedings.)

6 Do you have Exhibit 2.1 in front of you,
7 Mr. Riolo?

8 A. Yes , I do.

9 Q. Okay. Now the last position you held at
10 NYNEX was from 1987 to 1992 as a NYNEX Engineering
11 Director for Long Island?

12 A. That is correct.

13 Q. Am I correct that that is a staff
14 position or a management position, not a line
15 position?

16 A. It's a manager position, but it is on the
17 line as opposed to staff.

18 Q. Okay. In that position you don't
19 actually go out and de-load load coils, remove
20 repeaters, remove bridged taps, do you?

21 A. As a matter of fact, I did while I held
22 that position. Let me explain. The NYNEX

1 Corporation, as I was involved with, has a relatively
2 checkered past relative to labor relations. We have
3 been through many a strike, during which time I have
4 accumulated a wealth of experience in staff and line
5 functions. That's where I probably garnered the
6 preponderance of my hands-on field type of
7 experiences.

8 You might recollect in reading the papers
9 that there were instances as long as seven months in
10 which I performed tasks as a splicer at any one time.
11 More recently, while I was in this particular
12 position, we did have a work stoppage that lasted in
13 excess of four months, during which time I functioned
14 as a line engineer, and I did design a fiberoptic
15 cable to the Manchester Corporation. I happen to
16 remember that vividly, and I installed it, so I not
17 only designed it, I physically built it with my own
18 hands.

19 Q. Okay. I assumed you were going to tell
20 me about labor stoppages. That tends to be true
21 generally for any incumbent LEC. If there's a labor
22 stoppage, then the management positions are usually

1 asked to fill in what normally are line positions
2 filled by the unionized labor force. Isn't that
3 right?

4 A. In general, with the notable exception
5 that I haven't really seen any that have gone as long
6 as the New York company had.

7 Q. And so I want to go through each of these
8 positions real briefly.

9 A. Okay.

10 Q. I won't go into them individually, but
11 for the position you held from '85 to '87 as District
12 Manager - Midtown Manhattan, for the position you
13 held from '80 to '85 as District Manager -
14 Engineering Methods, and the position you held '78 to
15 '80 as an AT&T District Manager, and then from '76 to
16 '78 as a District Manager - Outside Plant Analysis
17 Center, those were all management positions. Is that
18 right?

19 A. Yes, those titles are management titles.

20 Q. So none of those positions were what I
21 would call unionized craft positions, were they?

22 A. Not those positions.

1 Q. Prior to 1976 did you have any unionized
2 craft positions either in the outside plant or in the
3 central office?

4 A. Not to the best of my recollection.

5 Q. Okay. And have you ever held the title
6 of central office engineer? Has that ever been a job
7 title that you've held?

8 A. The specific title central office
9 engineer, no, but I have had responsibility for
10 central office engineering as the director of
11 engineering.

12 Q. And you're not an economist. Is that
13 correct?

14 A. That's correct.

15 Q. And you don't have any undergraduate or
16 advanced degrees in economics or finance. Is that
17 correct?

18 A. That is correct.

19 Q. And in preparing your testimony in this
20 case, Mr. Riolo, you didn't take any physical
21 inventory of Ameritech Illinois' actual outside plant
22 network. Is that correct?

1 A. That's correct.

2 Q. You also didn't take any physical
3 inventory of Ameritech Illinois' central office
4 network either. Is that correct?

5 A. That's correct.

6 Q. You didn't conduct a physical review of
7 any of Ameritech Illinois' central offices or of its
8 outside plant. Is that correct?

9 A. That's correct.

10 Q. You didn't review any of Ameritech
11 Illinois' central office or outside plant records.
12 Is that correct?

13 A. That would be correct.

14 Q. So as we sit here today, Mr. Riolo, you
15 can't tell me how much fiber Ameritech Illinois has
16 actually deployed in its network. Is that correct?

17 A. With the exceptions of reports that
18 perhaps are in public domain, ARMIS reports.

19 Q. And you would agree with me that ARMIS
20 reports show dollars; they don't show footage?

21 A. Well, there are reports that do show
22 kilometers, sheath miles of cable, fiber miles.

1 Q. But if I were to ask you to tell me today
2 the total amount of kilofeet or sheath miles that
3 Ameritech Illinois has deployed in its network, you
4 wouldn't have an answer, would you?

5 A. Right here on the stand I would not, but
6 I'm sure I could dig it out of information I would
7 have available to me.

8 Q. As you sit here today, you can't tell me
9 how much copper loop plant Ameritech Illinois has
10 deployed in its network also. Is that correct?

11 A. Again, with the notable exception that if
12 I were allowed into looking at materials I have
13 available to me, I would find it.

14 Q. And as you sit here today, you can't tell
15 me precisely where in Ameritech Illinois' network
16 Ameritech Illinois has deployed fiber.

17 A. I won't get into a semantics, but that's
18 essentially true. Obviously, I walk around and can
19 see it. It's obvious to those who know what it looks
20 like.

21 Q. But if I were to pick a particular
22 location, you couldn't tell me what type of

1 facilities were actually serving that particular
2 location.

3 A. Not as I sit here today.

4 Q. And for any particular copper loop in
5 Ameritech Illinois' network, you can't tell me as you
6 sit here today the length of that loop between the
7 end user and the central office. Is that correct?

8 A. That would be correct.

9 Q. And for any particular Ameritech Illinois
10 loop deployed in its network, you can't tell me as
11 you sit here today how many bridged taps, repeaters,
12 or load coils, if any, are actually on that loop. Is
13 that correct?

14 A. That is correct.

15 Q. Now in preparing your testimony,
16 Mr. Riolo, you didn't conduct any market studies or
17 surveys of end users in Illinois relating to advanced
18 services. Is that correct?

19 A. That is correct.

20 Q. Now I want to talk about loop
21 conditioning just for a second. We'll get back to
22 the topic later, but I'd like for you to turn to

1 Rhythms Exhibit 2.3. It's attached to your direct
2 testimony. It's called A Brief History of Outside
3 Plant Design.

4 A. Yes.

5 Q. And am I correct that this is a document
6 that was prepared by a group of three consultants -
7 you, Mr. Joseph Donovan, and Mr. Dean Facett
8 (phonetically)?

9 A. Actually it was Mr. John Donovan, but
10 yes.

11 Q. John Donovan. I'm sorry.

12 A. Yes.

13 Q. So this document was not created by any
14 industry groups such as the telecommunications
15 industry forum. Is that correct?

16 A. It was not prepared by an industry group
17 but rather from the group of consultants that you
18 mentioned, primarily because we were involved in a
19 great deal of testimony, and rather than reiterating
20 portions of this in each and every jurisdiction, we
21 felt it would be advantageous to create an exhibit
22 that could be attached to our testimonies, but it

1 does utilize information that has been promulgated
2 throughout the industry, so it wasn't alluding to
3 information that we just dreamed up ourselves, but
4 rather these are industry standard guidelines that we
5 allude to.

6 Q. Okay. Now in preparing, in creating,
7 developing Exhibit 2.3, you didn't seek the input
8 from any SBC or Ameritech employee, did you?

9 A. No, we did not.

10 Q. And you didn't ask any SBC or Ameritech
11 employee whether this document in their view
12 accurately reflected the actual outside plant network
13 that they deployed. Is that correct?

14 A. That is correct.

15 I believe just to amplify a little bit on
16 it, that in past meetings that you and I have been
17 party to I have spent time in the Illinois region, so
18 to the extent that I'm familiar with some of the
19 plant that I have seen, I feel that I can speak to
20 the issues that are included in this.

21 Q. Okay. Fair enough, Mr. Riolo.

22 I want to talk about splitter

1 configurations for a second. Now in your direct
2 testimony you take the position that Ameritech
3 Illinois should be required to provide CLECs with a
4 menu of three splitter configurations. Is that
5 correct?

6 A. That's correct.

7 Q. And you took that same position in the
8 Rhythms/Covad arbitration. Is that correct?

9 A. That's correct.

10 Q. And have you reviewed the Commission's
11 arbitration decision in that arbitration?

12 A. Yes, I have.

13 Q. Are you aware that the Commission
14 rejected Rhythms' position on that issue?

15 A. Not in total, but if you would care to
16 have the order read in, I'd been delighted.

17 Q. Well, we'll save that for briefs. We
18 won't waste time on that here.

19 A. All right.

20 Q. Now you agree with me, Mr. Riolo, that
21 neither Ameritech Illinois nor any other SBC company
22 to your knowledge manufactures splitters?

1 A. To the best of my knowledge, that's
2 correct.

3 Q. To the best of your knowledge, splitters
4 are manufactured by third-party vendors like Lucent,
5 Secor, which I guess now is Corning since Corning
6 acquired them, Alcatel, companies like that?

7 A. Companies like that, but there are
8 obviously a lot others.

9 Q. And you aren't aware of anything that
10 prohibits CLECs from purchasing splitters from those
11 third-party vendors just as an incumbent LEC like
12 Ameritech Illinois might purchase a splitter from a
13 third-party vendor, are you?

14 A. No, I'm not.

15 Q. I want to talk for a second about the
16 pricing elements that Ameritech Illinois has proposed
17 for the HFPL UNE and in particular the pricing
18 elements other than the zero monthly recurring charge
19 for the HFPL. Now the position you're taking in this
20 docket in terms of the nonrecurring charges and the
21 splitter charges, you took that same position in the
22 Rhythms/Covad arbitration. Is that right?

1 A. Yes, I did.

2 Q. And the Commission rejected your position
3 in its arbitration decision on those issues?

4 A. Again, I think the record speaks for
5 itself.

6 Q. Why don't we go to page 2 of your direct
7 testimony, lines 18 to 21, and I'm in the
8 confidential version because I think there may be
9 some slight changes in pagination, and there you
10 state that line sharing on loops longer than 18,000
11 feet requires the use of fiber-fed DLC systems, which
12 makes that issue important in these proceedings, and
13 you agree with me, don't you, Mr. Riolo, that there
14 are some DSL services such as Rate Adaptive DSL, or
15 RADSL, and G.Lite which can operate at lengths beyond
16 18,000 feet?

17 A. I agree with you to the extent that, yes,
18 they can operate beyond 18,000 feet.

19 Q. And just so we have a complete record,
20 they operate beyond 18,000 feet but at a reduced
21 speed relative to their maximum speed? Is that your
22 understanding?

1 A. Well, certainly they suffer the trials
2 and tribulations of the additional length of the
3 loop. Most notably, they slow down in speed.

4 Q. We can't change the laws of physics, can
5 we?

6 A. We can help them sometimes, but we can't
7 change them necessarily.

8 Q. Why don't we now move back to the subject
9 of loop conditioning, and I'd like you to turn to
10 page 3 of your direct testimony. Again, I'm in the
11 confidential version at lines 6 through 7. You
12 assert there that load coils should be removed by the
13 ILEC as a defect on the line. Is that correct?

14 A. For loops less than 18 kilofeet, that's
15 correct.

16 Q. Okay. Mr. Riolo, are you aware of any
17 statute or any FCC rule or order or any state
18 commission rule or order that defines the load coil
19 on a loop of less than 18,000 feet as a defect?

20 A. Not specifically in those terms, but
21 obviously it is held to some quality standards, and
22 certainly load coils on loops less than 18 kilofeet

1 contribute to degradation of service and poor
2 transmission and poor service, so to the extent that
3 it is not providing what would be perceived as
4 quality service, I think that the ILECs are bound by
5 it.

6 Q. Do you know what the quality of service
7 standards in Illinois are?

8 A. I do not know personally, no.

9 Q. You can't identify for me, Mr. Riolo, any
10 maintenance or repair program that Ameritech Illinois
11 has in place to remove all load coils from loops less
12 than 18,000 feet in length. Is that correct?

13 A. I guess it would be a matter of the
14 definition of programs in place. Obviously, you have
15 guidelines in place that dictate otherwise, and you
16 do, as I recollect, have in at least one instance
17 that comes to mind here on the stand a practice which
18 instructs the engineering force to follow up with an
19 engineering work order where the plant is found to be
20 not to the standard of at least Serving Area Concept.
21 So to the extent that your practice was calling for a
22 field force to perform a function and, oh, by the

1 way, if you find that this particular plant does not
2 meet Serving Area Concept guidelines, the engineer
3 should follow up with an engineering work order to
4 correct that situation.

5 Q. And this item that you've just recalled,
6 does that come from the SBC Outside Plant Guidelines
7 or I think what we refer to in Wisconsin as the Long -
8 Range Outside Plant Planning Transmission Guidelines,
9 or LROPP?

10 A. Actually I seem to recollect that it
11 comes from your own ISDN guidelines for some reason.

12 Q. So as far as you know, there is no such
13 what I would call specific maintenance and repair
14 program that requires Ameritech Illinois field
15 personnel to remove all load coils on loops less than
16 18,000 feet in length in the LROPP transmission
17 guidelines.

18 A. Well, again, just so we're clear, LROPP
19 stands for Long Range Outside Plant Plan. This is a
20 concept or a guideline given to outside plant
21 engineers to collect all of the pertinent information
22 relative to the area that they work in, the central

1 office district serving area, and to collect not only
2 the demographics about that region, the zoning, the
3 applicable laws that may be in effect, the local
4 laws, municipal laws, but also to incorporate with
5 all of that data the present configuration of the
6 network, which is called the present mode of
7 operation, the PMO. Moreover, it explains that by
8 using the current guidelines that are in place to
9 depict what the future method of operation would look
10 like, the FMO, so that whenever any work is performed
11 by the outside plant engineering organization, it
12 should be done in such a manner that it migrates the
13 plant from its present mode of operation to its
14 future mode of operation. In no case should the
15 migration be in the opposite direction. You
16 shouldn't be going backwards. You should always be
17 going forward to what is ultimately going to be the
18 future configuration of the plant. So the LROPP is
19 really a guideline in that regard. It's a planning
20 tool.

21 Q. Okay. What I'm really trying to get at,
22 Mr. Riolo, is this; whether it's in the LROPP --

1 whether we're talking about the LROPP guideline, the
2 SBC internal LROPP guideline or any other SBC
3 internal document, you don't know of any internal
4 method or procedure or guideline that says, field
5 technicians, for any loop less than 18,000 feet, if
6 you find a load coil on that loop, remove that load
7 coil.

8 A. I don't know of any practice stated in
9 those specific terms, but, again, I would direct you
10 back to your own engineering guidelines which
11 specifically mention that loops less than 18 kilofeet
12 should not be loaded for POTS services. So to the
13 extent that you should be adhering to your own
14 engineering guidelines, it would dictate that some
15 action ought to be taken when cables are misloaded,
16 and when I say misloaded, where you have load coils
17 on a cable that should not be loaded.

18 Moreover, if I may add, there are
19 guidelines in effect in Ameritech that caution
20 against reuse of copper cables. So, again, I believe
21 in testimony we have seen documentation to the fact
22 that, well, the load coils are on there because

1 previously it served an area that was more than 18
2 kilofeet and consequently the cable was loaded, and
3 now we're going to serve an area closer to the office
4 and, oh, by the way, we left the load coils on.
5 Well, your own plans caution you against the reuse of
6 the plant. So to the extent that you're going to
7 reuse plant in that type of scenario, then by all
8 means the engineer ought to take all of the factors
9 into account, and if, indeed, the cable is loaded and
10 it should not be, a work order should be issued to
11 de-load it.

12 Q. Well, if we were to take a snapshot of
13 Ameritech Illinois' outside loop plant today, would
14 you agree with me that it is likely that you would
15 find loops less than 18,000 feet that did have load
16 coils on them?

17 A. I think that's a fair assumption.

18 Q. Okay.

19 A. The load coils, however, might be on
20 there for good, sufficient reason and not as a design
21 error. There might be a design circuit that includes
22 some load coils, and that's certainly in the realm of

1 possibility.

2 Q. Okay. And I think it's also fair to say
3 though that if we were to take a snapshot today of
4 Ameritech Illinois' outside plant -- well, I'll let
5 that go.

6 Let's talk about bridged tap for a second.
7 I take it you can't identify for me any FCC order or
8 rule or state commission order or rule that
9 identifies bridged tap as an engineering error. Is
10 that correct?

11 A. I could not quote you any FCC rule.

12 Q. Okay. And isn't it accurate that the SBC
13 loop transmission guidelines that you've seen provide
14 for up to 6,000 feet of bridged tap on a loop of
15 18,000 feet in length?

16 A. I have seen guidelines that claim that
17 the maximum allowable bridged tap is, indeed, 6,000
18 feet. However, I have also seen words to the effect
19 in those same practices that say bridged tap is
20 deleterious to the plant, should be minimized in all
21 cases. So while it is in the realm of feasibility
22 that bridged tap might be as excessive as 6,000 feet,

1 it certainly doesn't give license to just willy-nilly
2 go out there and put 6,000 feet of bridged tap on the
3 cable. It does explicitly say that bridged tap is
4 bad for the plant.

5 Q. So again, Mr. Riolo, if we were to take a
6 snapshot of Ameritech Illinois' outside loop plant
7 today, it's likely that you would find loops of less
8 than 18,000 feet with bridged tap on those loops.

9 A. I think that's a fair assumption.

10 Q. Okay.

11 Let's go to page 5 of your direct
12 testimony, lines 9 through 11, and you assert here
13 that customers can obtain significant benefits from
14 line sharing arrangements because all voice and data
15 needs can be met using a single loop to a home or
16 business location. Do you see that? That's actually
17 at lines 6 through 8. I'm sorry.

18 A. I caught up with you. Yes, I do.

19 Q. Prior to line sharing, what you're saying
20 here is that data CLECs, like Rhythms, providing xDSL
21 services had to do so over a separate loop. Isn't
22 that right?

1 A. That's correct.

2 Q. And then you go on to say that one of the
3 benefits of sharing a single loop, line 9 through 11,
4 is that consumers will get a significant price break
5 if the incumbent carriers properly cost and price
6 those network elements that CLECs need for lining
7 sharing. Do you see that?

8 A. Yes, I do.

9 Q. Now you're aware, Mr. Riolo, that a
10 number of xDSL service providers currently offer
11 retail xDSL services in Illinois today?

12 A. I would assume so. I wouldn't know
13 specifically who they are.

14 Q. You're aware that Rhythms and Covad do.

15 A. Yes, I am.

16 Q. And you're aware that Rhythms and Covad
17 provided that service prior to the advent of line
18 sharing. Isn't that right?

19 A. That's correct.

20 Q. Okay. Now, isn't it also correct that
21 the Commission does not regulate the prices that
22 CLECs such as Rhythms and Covad charge for retail

1 xDSL services?

2 A. As it exists today that's my belief. I
3 wouldn't necessarily say that they couldn't.

4 Q. Okay.

5 A. They've opted not to.

6 Q. So in terms of your testimony here at
7 lines 9 through 11, the only way that end users of
8 xDSL service would get a significant price break is
9 if is the xDSL service providers, whose prices are
10 not regulated, voluntarily decided to lower their
11 prices to the end user. Isn't that right?

12 A. Well, I think it goes beyond voluntary.
13 You're in a competitive market as opposed to the
14 ILECs, so competition brings to the market, you know,
15 a downward pressure on prices to drive the price to
16 cost. So if a given CLEC was to charge, you know,
17 what would be considered an inordinately large sum
18 for that service, you know, I dare say that CLEC
19 would lose market share and go out of business. So
20 with the advent of competition, I think it's hopeful
21 on the parts of all that the price to the Illinois
22 consumer would, indeed, go down.

1 Q. Okay. I want to talk about competition
2 for a second between competing xDSL -- or excuse me
3 -- competing Broadband Services technologies. Okay?
4 We've got a number of different competing
5 technologies out there, don't we?

6 A. Yes, we do.

7 Q. We've got xDSL service. Is that right?

8 A. Yes.

9 Q. We've got cable modem service?

10 A. Yes.

11 Q. We've got fixed wireless service?

12 A. To some extent.

13 Q. And we've got direct broadcast satellite
14 service, DBS service?

15 A. Yes, we do.

16 Q. Now let's assume that the other providers
17 using the other competing technologies other than DSL
18 technology, let's assume that for the physical medium
19 that they use, whether it's airwaves or whether it's
20 a cable and a cable modem, they've got to pay a
21 positive price for that. Okay?

22 A. Uh-huh.

1 Q. Let's assume the xDSL service provider
2 gets his medium for free.

3 A. I'll make that assumption with you.

4 Q. That downward pressure on pricing might
5 not exist in that case. Isn't that right?

6 A. Again, it's a function of the types of
7 service they're providing. It's also a function of
8 whether or not a given DSL provider happens to be in
9 the same area where a provider of direct TV is
10 serving. It has been so difficult to get DSL
11 services via ILEC loops, at least in recent past to
12 my knowledge, my personal knowledge, that I have
13 sought the use of a cable modem rather than a DSL
14 modem only because it was significantly quicker to
15 get and I need the service.

16 Q. Let's go to the topic of spectrum
17 management, which I think you address a little bit in
18 your direct testimony beginning on page 9, and in
19 particular I'm looking at question and answer 12, and
20 you address there who should have the burden of proof
21 of establishing what technologies are not suitable
22 for line sharing arrangements. Do you see that?

1 A. Yes.

2 Q. Would you agree with me that the FCC has
3 already addressed that issue in its Line Sharing
4 Order and in particular the section of the Line
5 Sharing Order that addresses spectrum management
6 policies?

7 A. As I recollect, it has been touched upon.

8 Q. Move to page 15 of your direct testimony,
9 and I'm looking at question and answer 23 at the
10 bottom of the page beginning on line 20, and here you
11 talk about the fact that Ameritech Illinois has
12 offered to condition loops of less than 12,000 feet
13 without charge. Do you see that?

14 A. Yes, I do.

15 Q. And you're aware, Mr. Riolo, that in its
16 Merger Order the FCC prohibited all SBC ILECs from
17 charging anything for loop conditioning on loops less
18 than 12,000 feet. You're aware of that?

19 A. Yes, I recollect that.

20 Q. So you agree with me that that's probably
21 the reason why Ameritech Illinois doesn't charge for
22 loop conditioning on loops less than 12,000 feet

1 because they can't?

2 A. That certainly would seem to be one of
3 the drivers.

4 Q. It would seem to be sort of a preclusive
5 driver, wouldn't it?

6 A. Well, again, they shouldn't be on there
7 to begin with. It would seem prudent that they
8 design their plant correctly as well. By putting
9 load coils on plant that doesn't require it, it only
10 causes the cost of that operation to soar, and the
11 cost of that is borne by the Illinois ratepayers.

12 Q. Let's go to page 16 of your testimony
13 beginning at line 18, and I think here you begin a
14 discussion about the CSA guidelines.

15 A. Yes, I do.

16 Q. Would you agree with me, Mr. Riolo, that
17 outside plant design guidelines have changed and
18 evolved over time?

19 A. Certainly they have changed and evolved,
20 yes.

21 Q. So would you agree generally that outside
22 plant that an ILEC has deployed over time would

1 likely include several different vintages of plant
2 that was deployed under differing guidelines?

3 A. Yes, but to the extent that the ILECs do
4 an amount of plant modernization, some of the more
5 antiquated guidelines should no longer exist.

6 Q. You don't know of any ILEC that has ever
7 replaced its outside plant essentially overnight.

8 A. Obviously none can replace that plant
9 overnight.

10 Q. Okay, and you don't know of any ILEC that
11 has ever replaced its outside plant overnight due to
12 a change in a loop design guideline or an outside
13 plant design outline.

14 A. Again, to answer your specific question,
15 overnight certainly not, but, again, be cognizant of
16 the fact that a certain amount of the capital budget
17 or program associated with the ILECs deals with the
18 notion of plant modernization. So to the extent that
19 each of the ILECs have spent monies to modernize the
20 plant and to retire from the plant those pieces of
21 equipment or cabling or whatever that no longer will
22 satisfy the corporate needs, that's been going on for

1 ages.

2 Q. Okay. Well, I don't think I'm quibbling
3 with you about plant modernization programs. I'm
4 just trying to get you to agree that there is no
5 plant modernization program that you know of that's a
6 flashcut program.

7 A. Well, certainly it's impossible to build
8 the networks that we have in place today overnight.

9 Q. Let's go to page 40 of your direct
10 testimony, and beginning at line 10 there's a
11 question and answer where you address the issue of
12 whether costs and prices should be based on the
13 MDF-mounted splitter method. Do you see that?

14 A. Yes, I do.

15 Q. And you took the position here in this
16 testimony that costs and prices should be based on
17 the MDF-mounted splitter method. Isn't that right?

18 A. Yes, it is.

19 Q. And you took that same position in the
20 Rhythms/Covad arbitration with Ameritech Illinois?

21 A. Yes, I did.

22 Q. And the Commission rejected that

1 position. Is that your understanding?

2 A. Again, the record will speak for itself.

3 Q. Okay.

4 Let's go to page 42 of your direct
5 testimony. At lines 18 through 20, you assert here
6 that Ameritech Illinois' prices should be based on a
7 single tie cable running from the MDF to the CLEC
8 collocation cage. Do you see that?

9 A. Yes, I do.

10 Q. And you took that same position in the
11 Rhythms/Covad arbitration with Ameritech Illinois.
12 Isn't that correct?

13 A. Yes, I did.

14 Q. And we'll let the record speak in terms
15 of what the Commission decided on that issue?

16 A. I would say so.

17 Q. Okay.

18 A. No one can ever accuse me of not being
19 consistent.

20 Q. Let's move to page 50 of your direct
21 testimony. At line 9 you begin discussing in a
22 question and answer how the acceptance testing

1 process should work. Do you see that?

2 A. Yes, I do.

3 Q. Is it your understanding that SBC and
4 Ameritech Illinois have reached agreement with the
5 CLEC community on an acceptance testing procedure
6 that's referred to as the line sharing turn-up
7 testing procedure?

8 A. That is my understanding.

9 Q. Okay. Why don't we turn to page 55 of
10 your direct testimony, and at lines -- beginning at
11 line 5 through line 14 you address the issue of how
12 quickly an ILEC should provide the splitter for a
13 CLEC line sharing. Do you see that?

14 A. Yes, I do.

15 Q. I don't think you were here for
16 Ms. Schlackman's cross-examination, were you?

17 A. No, I was not.

18 Q. Okay. Well, I'm going to represent to
19 you that Ms. Schlackman testified that Ameritech
20 Illinois' experience in deploying splitters has been
21 that it takes about three to four months for it to
22 deploy splitters. Do you have any reason to dispute

1 that?

2 A. I wouldn't have any reason to dispute her
3 characterization. I don't believe that it should
4 take that long, however. I mean, obviously, you can
5 put any due date you want on an order, and if you
6 want it to happen in six months or twelve months, you
7 can effectively make that happen. The amount of work
8 involved is relatively trivial, and as a result I
9 feel that it can be easily achieved in thirty
10 calendar days.

11 Q. Now that thirty days, does that thirty
12 calendar days assume that the splitters are already
13 on hand at the central office?

14 A. Not necessarily.

15 Q. So that thirty days would include at
16 least some process that the incumbent LEC, Ameritech
17 Illinois, would have no control over, that is when
18 the vendor said it could deliver a splitter. Isn't
19 that right?

20 A. Well, again, yes to answer your question.

21 Q. Okay.

22 A. But to the extent that an organization as

1 large as Ameritech or SBC happens to be, I'm sure
2 they can put enormous pressure on suppliers to
3 deliver in whatever time frames they want.

4 Q. Okay.

5 A. Having experience in procurement, that is
6 not a real big issue in my eyes.

7 Q. Well, but a supplier ultimately can only
8 deliver them as fast as they can make them. Isn't
9 that right?

10 A. Yes, a supplier can only deliver them as
11 fast as they can make them, but, again, if you're
12 single-sourcing suppliers, again, that's a decision
13 that you as Ameritech have made. You mentioned
14 before that there are a number of suppliers of
15 splitters. If you're trying to corner the market on
16 every Secor splitter, you know, you could very well
17 outstrip their supply, but that doesn't necessarily
18 mean that you can't go to Cisco and order the same
19 exact type of splitter.

20 Q. Let's go to your surrebuttal testimony,
21 Mr. Riolo. I'd like you to turn to page 2.

22 A. Page 2?

1 Q. Well, we'll skip over page 2. Go to page
2 10, lines 3 to 4 on page 10, and, again, I'm in the
3 proprietary version, and you assert here that the
4 opportunity to mount splitters on the MDF without
5 hampering ILEC operations clearly exists. Do you see
6 that?

7 A. Yes, I do.

8 Q. You haven't inspected a single MDF in any
9 Ameritech Illinois central office, have you?

10 A. Not in the course of preparing this
11 testimony, but, again, obviously, as I explained to
12 you in the past, I have worked in Illinois, so I have
13 been in central offices.

14 Q. Okay, but you haven't worked in the
15 Illinois central offices since pre-divestiture back
16 in 1984. Isn't that correct?

17 A. That's correct. I believe I'm the only
18 one that's been in an Ameritech central office of the
19 witnesses, including your own, and I think they're
20 Texans.

21 (Laughter)

22 Q. I think you're wrong, Mr. Riolo, but we

1 won't get in to that.

2 A. Okay. Then I stand corrected.

3 Q. Let's move to Exhibit 2.13, which is the
4 -- I believe it's the series of photographs of a
5 splice case and performing various functions on the
6 splice case.

7 A. Okay.

8 Q. Now I think the photographs that are in
9 color help me a little bit. When I first looked at
10 this I couldn't tell, but it looked like it was a
11 splice case sitting on a table in somebody's living
12 room.

13 A. No, actually it's in front of a garage.

14 Q. Well, that's what I was going to say. It
15 looks like it's on a work table. Is it inside a
16 garage or in front of a garage?

17 A. No, actually it's in front of a garage.
18 It's in a travel case that -- the wooden box that you
19 see that it's resting on. The front that you see
20 there is actually hinged so it flips up, and there's
21 one on the back that flips up, and this whole thing
22 gets put in a box that's approximately six feet long

1 and one foot wide by one foot deep for traveling, so
2 I have brought it to commissions similar to this and
3 have demonstrated live. I'm chagrined that I didn't
4 bring it here and do the same.

5 Q. Probably almost looks like a golf bag or
6 something.

7 A. Well, it weighs a little bit more than
8 that.

9 (Laughter)

10 But I will say they won't let me on the
11 plane. They won't let this on the plane until I
12 personally get on, and then they put it in the belly
13 of the plane.

14 Q. I can understand why, looking at it,
15 Mr. Riolo.

16 A. Yeah.

17 Q. Now this splice case that you've carried
18 around and that we're missing out the good fortune of
19 having here in Illinois, this is not an in-service
20 splice case, is it?

21 A. Certainly not. It's a demonstration
22 model.

1 Q. And so the demonstrations that are
2 included in these photographs, you aren't actually
3 performing these activities on a working splice case
4 out in the field. Is that correct?

5 A. That is correct.

6 Q. And you're not demonstrating them on a
7 splice case that may be aerially mounted up on a
8 telephone pole somewhere. Is that correct?

9 A. That's correct. By the same token, if
10 you're working up in the aerial, you would be
11 standing on a ladder or a bucket or a platform, so
12 whether you're standing on the ground or standing in
13 a bucket, there's not much difference.

14 Q. Okay, and, again, you're not performing
15 the activities reflected in these photographs on an
16 underground in-service splice case in a manhole
17 somewhere or a controlled environment vault
18 somewhere?

19 A. That is correct, but, again, I will tell
20 you that I performed this live in front of the
21 commissions, and to the extent that I performed the
22 functions in a suit, they were probably more

1 constraining than when I've done them in jeans.

2 Q. Okay, and you're also -- what these
3 photographs depict in terms of the functions that you
4 performed, you're not performing those on an
5 in-service buried splice case that's on some buried
6 splice pit, are you?

7 A. Certainly not.

8 Q. Okay.

9 A. Bear in mind that the functions that are
10 performed are, at least for the most part, the same
11 or very similar, irrespective of whether you're doing
12 it in a pit or up in the air or in a manhole. If
13 you're splicing a wire or deloading a pair, the
14 function is essentially the same. Similarly, if
15 you're opening up a splice case such as this, the
16 functions are identical. So to that extent it's the
17 same. The environment changes a little bit so that
18 you might be working in a pit that actually is more
19 comfortable and has more room than a location in a
20 manhole, as an example.

21 Q. Okay, and you might be working in one
22 that is a lot less comfortable too. Isn't that

1 right?

2 A. Certainly. There's a whole spectrum of
3 things that can happen.

4 Q. Now, moving to page 14 of your rebuttal
5 testimony, your surrebuttal testimony, excuse me,
6 beginning at line 15, you begin a discussion here
7 about Project Pronto, the Project Pronto
8 architecture.

9 A. Can I ask you that cite again?

10 Q. Yeah. Again, it's the surrebuttal. I'm
11 in the proprietary version. Okay? Page 14.

12 A. 14 is responding to deconditioning.

13 Q. I may have the wrong page. Excuse me;
14 page 15. I'm sorry.

15 A. Yes.

16 Q. And you have a discussion that goes on
17 for a number of pages about the Project Pronto
18 architecture and what Rhythms wants with respect to
19 Project Pronto. Is that right?

20 A. Yes, I do.

21 Q. I think the only question I have for you
22 is this, Mr. Riolo, on this particular portion of

1 your testimony. Do you recall in the Rhythms/Covad
2 arbitration that on redirect examination your counsel
3 asked you that with respect to the NGDLC cards that
4 you were testifying were available for line sharing,
5 he asked you whether you were suggesting that the
6 Commission order Ameritech to deploy some other kinds
7 of cards than they already plan to deploy?

8 MR. BOWEN: Your Honor, I'm going to object to
9 that question because unless counsel can show us --
10 show me first and then show the witness the
11 transcript.

12 MR. BINNIG: I'll be happy to give him the
13 transcript if we need it to refresh his recollection.
14 I was just asking --

15 EXAMINER WOODS: I thought the question was
16 whether or not he recalled doing that at this point.

17 MR. BINNIG: Yeah.

18 MR. BOWEN: Right, but I want to see the
19 transcript so I can see if I actually asked him that
20 question, if that's okay.

21 MR. BINNIG: It is page 590, line 7.

22 Q. Do you recall that?

1 A. I recollect a discussion. You know, the
2 specific words don't come to mind, but if you can
3 show me, which obviously you can.

4 Q. I will show you to refresh your
5 recollection.

6 A. Okay.

7 (Whereupon said document was
8 provided to the witness by
9 Mr. Binnig.)

10 A. Where are you saying?

11 Q. Page 590, line 7, and didn't your counsel
12 on redirect ask you the following question? "So with
13 respect to these cards that you say are now available
14 for line sharing, are you suggesting that the
15 Commission order Ameritech to deploy some other kinds
16 of cards than they already plan to deploy?" Do you
17 see that?

18 A. Yes, I do.

19 Q. And wasn't your answer, Mr. Riolo, "No,
20 I'm not, and, again, just to be clear, there is no
21 change in what we're asking for. We're not asking
22 Ameritech to do anything that it wouldn't be doing

1 for itself."

2 A. I see that.

3 Q. Okay. And that's still your position
4 today, isn't it, Mr. Riolo?

5 A. Well, --

6 Q. Can you answer that yes or no?

7 A. My professional opinion would be no.

8 Q. Okay. But when you gave --

9 A. And let me explain to you why.

10 Q. Well, I'd like you to do that on
11 redirect.

12 MR. BOWEN: Well, Your Honor, I'd like to have
13 the witness complete his answer. We are not, as you
14 said, limiting witnesses' answers to yes or no at
15 this point.

16 EXAMINER WOODS: We're going to get it
17 eventually. We might as well do it now.

18 MR. BINNIG: Fine.

19 A. The Project Pronto deployment assumes a
20 separate ATM/TDM fiber deployment. That certainly is
21 a solution. It's certainly a workable solution, but
22 it's not a unique solution.

1 SBC has taken the posture that you can't
2 line share because the traffic is segregated. The
3 TDM, or voice traffic, travels on a set of fibers.
4 The ATM, or data traffic, travels on a separate set
5 of fibers.

6 This was I guess embellished in Mr. Lube's
7 testimony which occurred subsequent to my Q's and A's
8 in this transcript, and he went through quite a bit
9 of rhetoric relative to the fact that we can't assume
10 line sharing because they're not even on the same
11 fibers. So as an engineer, that triggered my
12 response that that's certainly your prerogative to
13 put them on separate fibers, but that doesn't
14 necessarily mean that the technology is limited to
15 the extent that they have to travel on separate
16 fibers. So, as a rebuttal, I offer that they can
17 indeed travel on the same fibers, and if that, in
18 turn, convinces Mr. Lube that that becomes line
19 sharing, then I think we've made a move in a positive
20 direction. So that is what leads me to believe that
21 I should change from what I originally subscribed to,
22 the fact that we can indeed line share on fiber; that

1 it isn't just relegated to the copper portion of the
2 loop. The loop is a loop. It goes from the customer
3 to the central office.

4 Q. Fair enough, Mr. Riolo, but the question
5 that we just read from the transcript from the
6 arbitration, and you were under oath in that
7 arbitration, weren't you, when you testified?

8 A. I'm sorry?

9 Q. You were under oath in that arbitration
10 when you testified?

11 A. Absolutely, absolutely.

12 Q. And you testified to what you believed
13 was true in that arbitration, didn't you?

14 A. Yes, I did.

15 Q. Okay. And this question and answer deals
16 with the collocation of NGDLC line cards, doesn't it?

17 A. Yes, it does.

18 Q. And you can't simply by collocating a
19 different line card solve the line sharing problem
20 that you've just identified.

21 A. See, but that's where there's an
22 inconsistency in your logic here.

1 Q. Can you answer my question?

2 MR. BOWEN: He is answering the question, Your
3 Honor.

4 MR. BINNIG: No, he's not.

5 A. State it in a way that I can give you a
6 yes or no, and I'd be delighted to.

7 Q. You can't solve the line sharing problem
8 that you identified from Mr. Lube's testimony simply
9 by changing the NGDLC line card. Isn't that correct?

10 A. No, and the reason I state that is that
11 the cards involved operate at wavelengths. If you
12 were to think of copper cable that operates in
13 frequencies, in optics you operate on wavelength, the
14 color of the light, so to speak. Typically they
15 operate at 1,310 nanometers and 1,550 nanometers.
16 However, there are a variety of wavelengths that
17 optics can, indeed, work at. I dare say that
18 Ameritech Illinois probably in their interoffice
19 utilizes this technique, and if they don't, there are
20 ILECs that certainly do. There are optics or
21 equipments on the market today that will support 16
22 different wavelengths. So when you exhaust the

1 capacity of one wavelength, let's call it the red
2 light, you know, you want more capacity, turn on the
3 blue light, and you'll get the same amount of
4 bandwidth on the blue light, and when you exhaust the
5 blue light, turn on the green light, so you operate
6 at different wavelengths and, as a result, take
7 advantage of increasing bandwidth, and that's called
8 wave division multiplexing. A more modern
9 terminology is probably dense wave division
10 multiplexing.

11 So if you assume that I'm only going to
12 use one particular wavelength, such as Ameritech
13 appears to be doing, they then logically conclude
14 that I'm going to take the traffic over two different
15 fibers and, as a result, get the increased bandwidth
16 by just driving more cable rather than more
17 electronics. So if you change the electronics out
18 and you operate at two different wavelengths and the
19 card that you're alluding to is one of the key
20 factors.

21 Q. Okay. But my question was --

22 A. Well, let me finish.

1 EXAMINER WOODS: No, no, because I do
2 understand, and the question is you can't do that
3 just by changing the card. Right?

4 A. The card itself operates at a different
5 wavelength. Yes, the DSLAM --

6 EXAMINER WOODS: So you have to do more than
7 change the card. There's additional electronics that
8 you've got to put in to carry the packets over a
9 single fiber.

10 A. No.

11 EXAMINER WOODS: Other than just the card. You
12 can do it with just a card?

13 A. That particular card will use a different
14 wavelength. It's subject to a different wavelength.
15 In other words, if you put a card in that's handling
16 your TDM traffic, your POTS cards are going to
17 operate at one wavelength. You can put in an ADLU
18 card, which is the data card that we're talking
19 about, that operates at a different wavelength, and
20 hence you can drive them out on the same fiber.

21 Q. Let me try the following question,
22 Mr. Riolo.

1 A. All right.

2 Q. Isn't it true that the LiteSpan equipment
3 that's actually being deployed in Illinois, LiteSpan
4 2000, that that equipment does not support wave
5 division multiplexing? That you need to add an
6 additional piece of equipment or purchase a different
7 type of equipment called the LiteSpan I think it's
8 the 2016 series?

9 A. The 2016 is a cabinet.

10 Q. All right. Then I've got the wrong
11 number.

12 A. Again, Alcatel supports wave division
13 multiplexing. They have cards that operate in at
14 least two different wavelengths.

15 Q. That's not the question, Mr. Riolo. The
16 specific Alcatel equipment that is being deployed as
17 a part of Project Pronto in Illinois, that specific
18 piece of equipment does not support wave division
19 multiplexing. You have to add additional
20 electronics, don't you?

21 A. That's not my understanding.

22 Q. Okay.

1 A. Of what you're deploying, and, again,
2 it's in the Alcatel -- (inaudible).

3 EXAMINER WOODS: It's not your understanding
4 what?

5 A. It's not my understanding that the
6 equipment, the Alcatel equipment that Ameritech
7 Illinois is deploying will not support wave division
8 multiplexing.

9 EXAMINER WOODS: What do you think they're
10 deploying.

11 A. I think they're deploying an Alcatel
12 product that does, indeed, support wave division
13 multiplexing.

14 EXAMINER WOODS: Which product?

15 A. It's a LiteSpan product.

16 EXAMINER WOODS: What number?

17 A. I would like to say a 2012, which is only
18 a higher speed.

19 Q. What if they aren't deploying 2012s?

20 A. What if they're not? Then you're
21 probably talking a vintage DLC that you're trying to
22 retrofit as opposed to deploying something that's an

1 overlay network. I don't know why you would deploy
2 an antiquated piece of equipment relative to a
3 whiz-bang project like Pronto.

4 Q. Let me ask one other question, Mr. Riolo,
5 because we're hearing something remarkably different
6 from representations made by your counsel just
7 several days ago.

8 MR. BOWEN: I am going to object to that. I
9 don't know --

10 EXAMINER WOODS: He's right.

11 MR. BINNIG: I'm absolutely right.

12 Q. Is it your testimony, is it your
13 understanding that the actual equipment that SBC is
14 deploying for Project Pronto in Illinois, the actual
15 Alcatel model number of equipment, will support or
16 will permit wave division multiplexing simply by
17 changing the line card in the NGDLC? Is that your
18 understanding? If you don't know, that's fine too.

19 A. It's my understanding that as long as the
20 POTS card and the ADLU card which handle the data are
21 operating at different wavelengths, you don't need
22 additional --

1 Q. That's not my question.

2 A. Well, if you're buying an ADLU card that
3 is operating in a same wavelength as a POTS card, you
4 know, then obviously you're asking me a question
5 that's impossible to answer.

6 MR. BINNIG: I'd like an answer to my question.
7 Can you read back my question?

8 (Whereupon the requested portion of
9 the record was read back by the
10 Court Reporter.)

11 A. Yes.

12 MR. BINNIG: I have nothing further at this
13 point.

14 EXAMINER WOODS: Additional cross?

15 MS. HAMILL: No.

16 EXAMINER WOODS: Mr. Harvey?

17 MR. HARVEY: No.

18 EXAMINER WOODS: Redirect?

19 MR. BOWEN: Can we have a couple?

20 EXAMINER WOODS: Sure.

21 (Whereupon a short recess was
22 taken.)

1 EXAMINER WOODS: All right. Let's go back on
2 the record.

3 MR. BOWEN: Mr. Riolo, just a few questions on
4 redirect.

5 REDIRECT EXAMINATION

6 BY MR. BOWEN:

7 Do you recall Mr. Binnig asking you some
8 questions about whether or not RADSL and/or G.Lite
9 might work at loop lengths greater than 18 kilofeet.

10 A. Yes, I do.

11 Q. And I believe your answer was yes, they
12 can. Is that right?

13 A. That's correct, and with the obvious
14 caveats that, you know, the cable pairs can't be
15 loaded and they can't have excessive bridged taps on
16 them and things of that nature, you know,
17 interference, all of the interferers' problems that
18 we normally look at when we design a DSL service.

19 Q. Okay. And do you also recall some
20 questions from Mr. Binnig concerning what he
21 characterized as a snapshot of Ameritech Illinois'
22 outside plant on the issue of whether or not load

1 coils might be present?

2 A. Yes, I do.

3 Q. Okay. And I think your answer was yes,
4 there could be load coils present for what you termed
5 good reasons such as design circuits. Do you recall
6 that testimony?

7 A. Yes, I do.

8 Q. Just so the record is clear, what do you
9 mean by design circuits? Can you tell me what that
10 means and can you give me an example of that?

11 A. An example would be an analog PBX trunk.
12 In order to get the loss limitations within certain
13 parameters that are required, typically you would
14 load a PBX trunk that was less than 18 kilofeet.

15 Q. Okay.

16 A. Similarly, you could do it with an analog
17 Centrex type service as well.

18 Q. Okay. But with the exception of those
19 types of design circuits, should any other loops
20 under 18 kilofeet be loaded?

21 A. No. For normal POTS grade service loops
22 less than 18 kilofeet should not be loaded, and

1 that's been in guidelines for a very lengthy period
2 of time.

3 Q. Okay. And then do you recall a series of
4 questions and your answers on the issue of the merger
5 guidelines and their effect on Ameritech Illinois
6 charging conditioning charges for loops that were
7 less than 12 kilofeet long?

8 A. Yes, I do.

9 Q. Okay. Now is there any engineering
10 reason that you're aware of why 12 kilofeet is some
11 kind of magic go/no-go break point in terms of
12 conditioning?

13 A. Not at all. Again, the only break points
14 in terms of length are 18 kilofeet, and in terms of
15 loading, not for bridged tap or other reasons, just
16 for load coil design, 18 kilofeet happens to be the
17 break point. 12 kilofeet is an artificial number
18 that obviously is not based on engineering
19 principles.

20 Q. Okay.

21 Okay. Then do you recall a discussion
22 with Mr. Binnig whether you had been, actually

1 physically been in Illinois central offices?

2 A. Yes.

3 Q. Okay, and I believe your answer was that
4 you had not, at least not recently. Is that fair?

5 A. That's a fair characterization.

6 Q. My question is -- and I want to point you
7 back to your surrebuttal, if you could pick that up.
8 This cross-examination took place concerning page 10,
9 lines 3 to 4 I think, where you were testifying and
10 Mr. Binnig quoted you as saying "Thus, the
11 opportunity to mount splitters on the MDF without
12 hampering ILEC operations clearly exists." Do you
13 see that testimony?

14 A. Yes, I do.

15 Q. My question is do you think you need to
16 actually physically visit Ameritech Illinois' central
17 offices to be able to reach the conclusion you
18 testified to?

19 A. No, I don't think so, from point of view
20 that the amount of copper plant that's terminated on
21 MDFs has certainly peaked. With the advent of
22 digital loop electronics, the opportunity to

1 terminate on a mainframe has been substantially
2 reduced. If I can even point you to the interoffice
3 network, and I believe I even cite it in my
4 testimony, that had been all copper at one point in
5 time and terminated on the MDF and occupied space.
6 It no longer does. By and large, the interoffice
7 facilities are totally fiberoptics at this point in
8 time, and, as a result, the terminations that
9 supported them on the mainframe are no longer
10 necessary so that there should be more than adequate
11 space.

12 As we serve customers further out in the
13 route with digital loop electronics, DLCs and such,
14 again, those don't necessarily terminate on the MDF,
15 so there should be more than ample MDF space
16 available for frame-mounted splitters. So I still
17 stand by the fact that, you know, there could be --
18 there is adequate space to terminate MDF splitters,
19 and one would not necessarily need to view a central
20 office to determine that.

21 Q. Okay. And if there were sworn testimony
22 in this docket to the effect that Universal Digital

1 Loop Carrier systems and Integrated Digital Loop
2 Carrier systems are terminated on intermediate
3 distribution frames in Illinois, if those IDFs exist,
4 would that also support your conclusion?

5 A. Absolutely. Those would be just that
6 many more pairs that did not terminate on the MDF.

7 You know, I can go back to a transition
8 plan that was promulgated by Ameritech, and I'd have
9 to dig through my documents to find it again, but
10 what struck me was the words they used in the
11 document. It was called the Demise of the MDF. Now
12 this is a document that dated back to the early '90s
13 that Ameritech talked about the mainframe and the
14 need for a mainframe going away as technology
15 progressed, so for them to claim at this point in
16 time that frame congestion would exist seems counter -
17 intuitive.

18 Q. Okay. Now finally, let's talk about the
19 plug-in cards and wave division multiplexing and 1310
20 and 1515 nanometers and that suite of issues. Do you
21 still have that transcript with you on the stand?

22 A. No, I don't. I gave it back to

1 Mr. Binnig.

2 MR. BOWEN: Could I ask if you could make that
3 available to the witness again?

4 MR. BINNIG: Sure.

5 (Whereupon said document was
6 provided to the witness by
7 Mr. Binnig.)

8 A. Thank you.

9 Q. Okay. Could you turn -- I think the
10 reference page was page 590. Do you have that?

11 A. That's correct.

12 Q. This is of the June 30, 2000 transcript.
13 Correct?

14 A. Yes, it is.

15 Q. Okay. And again, I'm going to read you
16 the question and answer that Mr. Binnig did so we
17 have the right context. This begins at line 7 of
18 that page, and the answer ends at line 15. Question:
19 "Okay. So with respect to these cards that you say
20 are now available for line sharing, are you
21 suggesting that the Commission order Ameritech to
22 deploy some other kind of cards than they already

1 plan to deploy?" Answer: "No, I'm not, and, again,
2 just to be clear, there is no change in what we're
3 asking for. We're not asking Ameritech to do
4 anything that it wouldn't be doing for itself."

5 Now, Mr. Riolo, I want you to tell us, is
6 that testimony still accurate concerning the plug-in
7 cards as described on those pages, the POTS cards,
8 the ISDN cards, and the DSL cards?

9 A. Yes.

10 MR. BINNIG: I'm going to object.

11 A. You know, I wanted to gain access to the
12 cards that were being deployed in NGDLC by Ameritech,
13 and those included, you know, the POTS cards and the
14 ISDN cards and the ADLU which gives you the DSL
15 capability. So in this context I wasn't asking for
16 them to deploy some other kinds of systems or some
17 other vendor product, but rather to give me the
18 capability of using those things that they themselves
19 were deploying for their own needs, but, by the same
20 token, I still feel strongly that we shouldn't
21 necessarily be hampered or controlled by what
22 Ameritech Illinois chooses to offer in its services,

1 so that if their product of choice is Alcatel
2 LiteSpan 2000, as Mr. Binnig has just said, then,
3 indeed, any Alcatel 2000 plug-in that is made
4 available by the manufacturer, even if Ameritech
5 chooses not to plug that particular flavor of DSL
6 into the channel bank, I don't feel that the CLEC
7 should necessarily be precluded from purchasing those
8 same plug-ins from their manufacturer, Alcatel, and
9 using that in LiteSpan so that we could, indeed,
10 deploy whatever flavors of DSL technology that are
11 available in that platform.

12 Q. Okay. And with respect to the discussion
13 you had with Mr. Binnig concerning carrying two
14 different light frequencies on the same fiber, what
15 is your understanding concerning the capabilities of
16 the LiteSpan 2000 and 2012 being deployed in
17 Illinois?

18 A. You know, I certainly know that the 2012
19 is more than capable of handling the two wavelengths
20 on a single fiber. Moreover, unless there happens to
21 be a quirk in the back-plane of a 2000, it should be
22 able to handle it as well, and the only reason I'm

1 putting that caveat, the 2000 platform has been
2 manufactured for a period of time, and there have
3 been upgrades to the LiteSpan 2000, so that one that
4 was produced at the very beginning would probably
5 need a channel bank assembly to be plugged into the
6 existing channel bank assembly in order to upgrade it
7 sufficiently to handle DSL technology, if that
8 LiteSpan 2000 was of that particular vintage, one of
9 the very first that came out, because the back-plane
10 was not enabled at that point to handle the type of
11 technology, but there have been a variety of upgrades
12 and fixes that Alcatel has put out so as they come up
13 with more types of services, their existing platforms
14 can indeed support the new services. In some cases
15 it doesn't happen very easily. As I say, the very
16 first channel banks that came out you would have to
17 put a different common control assembly and
18 physically wire it to the old common control
19 assembly, but it would be my understanding that their
20 latest vintage of LiteSpan 2000 would accommodate
21 wave division multiplexing.

22 MR. BOWEN: Okay. That's all I have. Thank

1 you, Your Honor.

2 MR. BINNIG: I have just a few questions.

3 RECROSS EXAMINATION

4 BY MR. BINNIG:

5 Q. Mr. Riolo, let's go back to the snapshots
6 for a second. Okay? If we were to take a snapshot
7 of Ameritech Illinois' outside loop plant network
8 today, isn't it likely that there would be copper
9 loops of less than 18,000 feet used for POTS services
10 that have load coils on them?

11 A. I'll say yes only insofar as Ameritech
12 seems to be claiming that in testimony. I don't
13 necessarily subscribe that they ought to be there and
14 make it very clear that all the design guidelines
15 have cautioned against that. I'll show you practices
16 going back at least to 1965 that I have that caution
17 against loading POTS type services on loops less than
18 18 kilofeet. So if they're there, as far as I'm
19 concerned they're there in error.

20 Q. Okay. So what I want to make clear is,
21 and I want to make sure I understand your answer, I'm
22 not asking you about what you think ought to be

1 there. I'm asking you what likely actually is there,
2 and you agree with me that what likely actually is
3 there, if we took a snapshot, you would find some
4 loops under 18,000 feet used for POTS service that
5 would be loaded.

6 MR. BOWEN: Objection; calls for speculation.

7 EXAMINER WOODS: He's an expert.

8 A. Again, I don't have personal knowledge of
9 a loop less than 18 kilofeet similar to the litany of
10 questions you asked me if I had personal knowledge
11 of, so all I'm saying is based on the representations
12 that have been made on the part of Ameritech
13 witnesses that such a thing exists, you know, I'll
14 grant you that. You know, I'm hopeful we're all
15 telling the truth, so, you know, I will say that
16 based on those representations, that it certainly
17 must exist.

18 Q. Okay.

19 And then your counsel asked you questions
20 about the Merger Order condition that you and I
21 talked about.

22 A. Yes.

1 Q. That prohibits the SBC ILECs from
2 charging loop conditioning for any loops less than
3 12,000 feet. Do you recall your counsel asking you
4 about that?

5 A. Yes.

6 Q. I'm correct that you weren't involved in
7 any negotiations or discussions at the FCC relating
8 to the Merger Order conditions. Is that correct?

9 A. Between or a party to SBC and the FCC? I
10 might have gotten my oar in the water in some ex
11 parte.

12 Q. Okay. Did you get your oar in the water
13 through an ex parte on the issue of loop conditioning
14 costs?

15 A. Not that I recollect.

16 Q. So you don't know what the reasons were
17 for the 12,000 foot prohibition on charging for loop
18 conditioning that came out in the Merger Order
19 conditions. Is that right?

20 A. That's correct, but I'm also led to
21 believe that your witness in this case said something
22 to the effect that it was a negotiated settlement.

1 Q. I'm not disputing that.

2 A. So, as such, you know, I don't know what
3 the gives and takes were.

4 Q. That's my question.

5 A. So, obviously, at 12,000 feet no charge
6 for conditioning isn't based on engineering type
7 principles but rather some negotiated settlement that
8 I'm sure the FCC could have given up something else
9 for it. I don't know what they chose to give up for
10 it.

11 Q. Okay, but you don't know the gives and
12 takes. Isn't that right?

13 A. That's correct.

14 MR. BINNIG: I think that's all I have, Your
15 Honor.

16 EXAMINER WOODS: Anything else?

17 MR. BOWEN: No.

18 EXAMINER WOODS: Okay. Thank you, Mr. Riolo.

19 THE WITNESS: Thank you.

20 (Witness excused.)

21 MR. HARVEY: If we could take a moment,
22 Mr. Examiner.

1 EXAMINER WOODS: Off the record?

2 MR. HARVEY: Yes, please.

3 (Whereupon at this point in the
4 proceedings an off-the-record
5 discussion transpired, during which
6 time Rhythms Cross Carnall Exhibit
7 1 and Ameritech Illinois Exhibits
8 3.0, 3.1, and 3.2 were marked for
9 identification.)

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1 A F T E R N O O N S E S S I O N

2 (Whereupon the proceeding were
3 hereinafter stenographically
4 reported by Carla Boehl.)

5 MS. HIGHTMAN: The parties have waived cross
6 of Ms. Murray. So what I have got is the direct
7 testimony; there is a public version and a proprietary
8 version. And I am not quite sure how we have been
9 marking these. Rhythms Exhibit 1.0 is the direct
10 testimony of Terry Murray. I am providing both a
11 proprietary and a public version of that testimony, as
12 well as the exhibits attached thereto which are marked
13 as Rhythms Exhibits 1.1 through 1.3. I would like to
14 offer Terry Murray's rebuttal testimony which has been
15 marked for the record as Rhythms Exhibit 2.0, and it
16 is a public version only. And then I would like to
17 offer the surrebuttal testimony of Terry L. Murray.
18 There is two versions, one of which is proprietary.
19 The testimony is marked as Rhythms Exhibit 1.4 and I
20 believe that there are no exhibits attached thereto.
21 I would offer those exhibits into the record.

22 EXAMINER WOODS: So the direct and the

1 surrebuttal were public and proprietary?

2 MS. HIGHTMAN: Yes.

3 EXAMINER WOODS: Any objections?

4 MR. BINNIG: No objection.

5 We also have the testimony of Dr.

6 Carnall. And the direct testimony is Ameritech

7 Illinois 3.0 and that includes Attachment MAC -1, his

8 rebuttal is Ameritech Illinois Exhibit 3.1, and then

9 his surrebuttal testimony is Ameritech Illinois

10 Exhibit 3.2. I would move for the admission of that.

11 EXAMINER WOODS: Be admitted upon receipt.

12 (Upon receipt, Rhythms Exhibits

13 1.0 through 1.4, 2.0; and

14 Ameritech Illinois Exhibits

15 3.0 through 3.2 will be

16 admitted into evidence.)

17 EXAMINER WOODS: Has he been sworn?

18 MR. HARVEY: He has been, yes. Staff now

19 calls Torsten Clausen.

20

21

22

1 T O R S T E N C L A U S E N
2 called as a Witness on behalf of the Staff of the
3 Illinois Commerce Commission, having been first duly
4 sworn, was examined and testified as follows:

5 DIRECT EXAMINATION

6 BY MR. HARVEY :

7 Q. Mr. Clausen, you ready to testify?

8 A. I guess I am.

9 Q. Do you have before you a document marked
10 for identification as ICC Staff Exhibit Number 1 .0 and
11 bearing this docket number?

12 A. Yes, I do.

13 Q. Is that your direct testimony in this
14 case?

15 A. Yes, it is.

16 Q. Does it consist of 12 pages of text in
17 question and answer form?

18 A. Yes, it does.

19 Q. Do you have any corrections, revisions,
20 or modifications that you wish to make to the
21 testimony?

22 A. I just have one minor correction on page

1 3, line --

2 Q. Is it perhaps line 4?

3 A. I think it's line 4. And it should read
4 "it is" instead of "its" with an apostrophe. So it
5 should read two words "it is," instead of "it's."

6 Q. Are you certain about that? Is it
7 possible that --

8 A. Oh, sure, it should read one word, "its."

9 Q. Singular possessive, correct?

10 A. That is correct.

11 Q. Do you have any other corrections to the
12 document?

13 A. No.

14 Q. If I were to ask you the questions
15 contained in this document today, would your answers
16 be the same as those set forth in the document?

17 A. Yes, they will.

18 MR. HARVEY: With that I would offer, subject
19 to the Hearing Examiner's previous direction in this
20 case, the filed corrected copies with the Chief Clerk,
21 Staff Exhibit Number 1.0, the direct testimony of
22 Torsten Clausen, into evidence.

1 EXAMINER WOODS: Objections? Be admitted
2 upon receipt.

3 (Upon receipt, ICC Staff Exhibit
4 1.0 will be admitted into
5 evidence.)

6 MR. HARVEY:

7 Q. Now, Mr. Clausen, do you have an other
8 document in front of you that is marked Staff Exhibit
9 -- or ICC Staff Exhibit Number 1.1 in this docket?

10 A. Yes, I do.

11 Q. Does that consist of 11 pages of text in
12 question and answer form?

13 A. Yes, it does.

14 Q. Is that your direct testimony in this
15 case?

16 A. Yes, it is.

17 Q. Was it prepared by you or at your
18 direction?

19 A. Yes, it was.

20 Q. Do you have any corrections,
21 modifications, or revisions you wish to make to this
22 testimony?

1 A. No.

2 Q. If I were to ask you the questions
3 contained in this document, would the answers you set
4 forth in the document be the same?

5 A. Yes, they would.

6 MR. HARVEY: With that I would request that
7 Staff Exhibit Number 1.1 be moved into the evidence,
8 subject to a corrected copy being filed with the Chief
9 Clerk.

10 EXAMINER WOODS: Upon receipt, without
11 objection.

12 (Upon receipt, ICC Staff Exhibit
13 1.1 will be admitted into
14 evidence.)

15 MR. HARVEY:

16 Q. Now, Mr. Clausen, do you have before you
17 a third and final document?

18 A. Yes, I do.

19 Q. Is it marked for identification as Staff
20 Exhibit Number 1.2?

21 A. Yes, it is.

22 Q. Was that prepared by you or at your

1 direction?

2 A. Yes, it was.

3 Q. Does it consist of ten pages of text in
4 question and answer form?

5 A. Yes, it does.

6 Q. If I were to -- do you have any
7 corrections, revisions, or modifications you wish to
8 make to the document?

9 A. Yes, one correction, page 7, line 20,
10 after the word "would," the word "not," N-O-T, should
11 be inserted.

12 Q. And, Mr. Clausen, would you be so kind,
13 given the vagaries of pagination, to read the entire
14 question so that people will have some reference if
15 the version of the document they got was --

16 A. Yeah, the correction is in the answer to
17 the question, "Mr. O'Brien states that a zero loop
18 charge for the HFPL would be in violation of the
19 Section 251(a) of the Act. What is your response?"
20 And the third sentence in that answer starts with,
21 "This tariff investigation would not be taking place
22 if the FCC had not thought that the HFPL --" and it

1 goes on from there.

2 MR. HARVEY: And I would just add for the
3 record, if people have not been able to find that,
4 that it is on lines 15 and 16 of the version I
5 forwarded to the parties.

6 MR. BINNIG: Right, we have got it.

7 MR. HARVEY: And to the extent that that is
8 the result of pagination problems, I apologize.

9 Q. Now, Mr. Clausen, is that the only
10 revision you have to this testimony?

11 A. Yes, it is.

12 Q. If I were to ask you the questions set
13 forth in this testimony, would your answers be the
14 same today as they were on the day when you caused it
15 to be filed?

16 A. Yes, they would.

17 MR. HARVEY: With that I would move, subject
18 to filing with the Chief Clerk of a corrected version,
19 for admission of Staff Exhibit 1.2, that being the
20 surrebuttal testimony of Torsten Clausen, into
21 evidence and tender the witness for cross examination.

22 EXAMINER WOODS: Be admitted upon receipt.

1 (Upon receipt, ICC Staff Exhibit
2 1.2 will be admitted into
3 evidence.)

4 EXAMINER WOODS: The witness is available for
5 cross.

6 MR. BINNIG: Matt, do you have any problem,
7 because of the version that I've got, that we give the
8 witness the same version?

9 MR. HARVEY: That would be fine.

10 MR. BINNIG: Because I am going to be
11 referring to that. Unfortunately, I don't think I
12 have an extra version of the direct. I do have the
13 rebuttal.

14 MR. HARVEY: Well, you know what, Chris, you
15 could have this one, if you want.

16 THE WITNESS: Actually, I think direct and
17 rebuttal, I have the same version you have got because
18 I printed it off of e-docket.

19 CROSS EXAMINATION

20 BY MR. BINNIG:

21 Q. Good afternoon, Mr. Clausen.

22 A. Good afternoon.

1 Q. I first want to ask you just a couple
2 questions about your background and experience. Am I
3 correct you have never worked for an ILEC, CLEC, or
4 any telecommunications carrier?

5 A. No.

6 Q. Not correct?

7 A. Oh, sorry, I didn't hear the question
8 correct. No, I did not. You are correct; I did not
9 work for an ILEC or a CLEC.

10 Q. So I am also correct that you have never
11 been an outside plant engineer?

12 A. That is correct.

13 Q. And you have never been a central office
14 engineer?

15 A. I have never been that, no.

16 Q. Why don't we first go to your direct
17 testimony to your discussion of line at-a-time versus
18 shelf at-a-time provisioning, and in particular, page
19 4, lines 11 through 16. You are talking here about
20 capacity management, and you state that with line
21 at-a-time provisioning, capacity management resides
22 with Ameritech. Do you see that?

1 A. Yes, I do.

2 Q. Isn't the provision of capacity
3 management by Ameritech actually a benefit to CLECs?

4 A. I don't think I understand that question.

5 Q. Well, let me put it this way. When
6 Ameritech does the capacity management through line
7 at-a-time provisioning, it's Ameritech, not the CLEC,
8 that bears the risk of stranded investment; isn't that
9 right?

10 A. If you view it from that perspective, I
11 would agree.

12 Q. So also from that perspective, letting
13 CLECs perform their own capacity management might be a
14 detriment because that risk of stranded investment is
15 then transferred to the CLEC, correct?

16 A. If you take that limited view, that
17 limited perspective, that is correct. And it is also
18 correct that capacity management not only has risk of
19 -- if you want to refer to capacity management in this
20 context -- not only has the risk of stranded
21 investment but it also has the benefit of knowing
22 what's in the central office, what can be deployed.

1 And so when you talk about the risk of
2 stranded investment in relationship with capacity
3 management, I think it's fair to say that, on the
4 other hand, you also have the benefit of knowing what
5 capacity you actually have in that central office and
6 what you can use in the foreseeable future. So I
7 think from your perspective I would agree, but I just
8 want to make that qualification.

9 Q. I think I understand your qualification.
10 Isn't it also your understanding, Mr. Clausen, that
11 when Ameritech -- oh, as part of its tariff terms for
12 providing line at-a-time provisioning when Ameritech
13 Illinois is providing the splitter, that they manage
14 the capacity based on receiving demand forecasts from
15 the CLECs themselves?

16 A. That is my understanding, yes.

17 Q. Let's move down a little bit to line 17
18 through 20 where you say -- same page now, on page 4,
19 you say, "Ownership of the splitter should not dictate
20 the outcome of the HFPL UNE provisioning process.
21 This would be at odds with the overall goal of
22 creating parity between the incumbent and the

1 competitive carriers as envisioned in the FCC's Line
2 Sharing Order." Now, the incumbent in this case is
3 Ameritech Illinois; is that correct?

4 A. That is correct.

5 Q. And Ameritech Illinois has never provided
6 retail xDSL services; isn't that correct?

7 A. That is my understanding, yes.

8 Q. And the FCC's merger order prohibits
9 Ameritech Illinois from providing retail xDSL
10 services; isn't that correct?

11 A. The incumbent, yes.

12 Q. Let's move onto page 5. And beginning at
13 line 22, there is a question about "Is there anything
14 else in Ameritech's proposed tariff that concerns the
15 technical provisioning issues that you would like to
16 comment on." And you have an answer that talks about
17 a portion of the tariff which talks about the
18 company's, that being Ameritech Illinois', obligation
19 to notify -- excuse me, to attempt to notify the end
20 user and CLEC any time the company repair effort has
21 the potential of affecting service on the broadband
22 portion of the loop; do you see that?

1 A. Uh-huh.

2 Q. And I think at the bottom of this answer
3 you say, "This language appears to set different
4 standards in terms of customer notification;" do you
5 see that?

6 A. Yes.

7 Q. I am going to ask you a hypothetical,
8 Mr. Clausen. Let's assume that there is an Ameritech
9 Illinois end user customer that's purchasing both data
10 service from a CLEC and voice service from Ameritech
11 Illinois over a line-shared line. And let's assume
12 that that end user has a child who is diabetic .

13 A. Okay.

14 Q. And let's assume that the end user is
15 very concerned that they have immediate access to
16 emergency medical personnel in the event the child
17 goes into insulin shock, okay?

18 A. Okay.

19 Q. Now let's assume one day that customer
20 gets on his phone and is just making a normal call and
21 discovers that on his line he can hear the recipient
22 of the call but the recipient of the call can't hear

1 him.

2 A. Okay.

3 Q. And that end user calls up Ameritech
4 Illinois and says there is something wrong with my
5 line, I want you to fix it. Is it your view that in
6 that hypothetical, that before Ameritech Illinois can
7 fix the line, it would have to actually notify the
8 data CLEC that it was attempting to do repairs?

9 A. No. That's certainly not what I am
10 implying here. I think what I am referring to is that
11 in the first case that I am describing that it's part
12 of the tariff. It states that the company shall
13 attempt to notify the end user, and it also says and
14 the CLEC. But then for the standard where there is a
15 problem with the data line, it states that the CLEC
16 may not perform testing without having first obtained
17 express permission of the end user.

18 So I am not really talking about that one
19 company notifies the other company in each and every
20 case. I think what I am referring to is in terms of
21 customer notification and not necessarily the other
22 company.

1 Q. Okay. I guess the point I am trying to
2 get to, Mr. Clausen, is that most end users view voice
3 service as being used for different purposes than
4 their data service; isn't that right?

5 A. I think as a general statement you can
6 make that assumption.

7 Q. And one of the uses that most end users
8 use their voice service for is the type of situation I
9 am talking about, emergency situations, medical or
10 otherwise; isn't that right?

11 A. That's right.

12 Q. And end users at least today that you
13 know of don't generally use their data services for
14 that type of emergency purpose, do they?

15 A. Not that I know of, no.

16 Q. Let's go to -- I think we can go to page
17 8 of your testimony, and beginning at lines 2 through
18 13 you have a question and answer where the question
19 begins that, "If there are no incremental costs
20 attributable to the data portion of the loop, how can
21 the allocation of joint and common costs be
22 determined;" do you see that?

1 A. Yes.

2 Q. And would you also agree with me -- and I
3 assume your conclusion, that there are no incremental
4 costs attributable to the data portion of the loop,
5 that's based on your understanding of the TELRIC model
6 and your understanding that the loop costs over a
7 line-shared loop is a shared cost; is that right?

8 A. Yes, that's right.

9 Q. So would you also agree with me that
10 there are no incremental costs in the case of a
11 line-shared line attributable to the voice portion of
12 the loop?

13 A. Can you rephrase that question again?

14 Q. Well, I will ask it again.

15 A. Yeah.

16 Q. Would you agree with me that under the
17 TELRIC model there are no incremental costs
18 attributable to the voice portion of the loop on a
19 line-shared line?

20 A. That only holds true if you view -- if
21 you define voice and data services as two separate
22 services using that loop.

1 Q. And in that instance that's true, right,
2 that there is no incremental costs attributable to the
3 voice portion of the loop where both data and voice
4 services are being provided?

5 A. I think with that qualification you can
6 make that statement, yeah.

7 Q. And you agree with me, don't you,
8 Mr. Clausen, that the FCC's TELRIC model -- and I can
9 give you -- if you are more comfortable having a
10 particular cite, I think it's paragraph 677 of the
11 First Report and Order. But the FCC's TELRIC model
12 assumes a time period for looking at costs, a time
13 period that's long run enough so that all costs are
14 variable or avoidable?

15 A. That is my understanding of TELRIC, yeah.

16 Q. Let's go to page 10 of your direct
17 testimony.

18 A. Okay.

19 Q. And at lines 13 through 16 I think we are
20 still on the topic here of the -- I think we are
21 addressing the topic -- you are addressing the topic
22 of proposed zero monthly recurring charge for the

1 HFPL?

2 A. Uh-huh.

3 Q. And at lines 13 through 16 you state
4 that, "If the Commission decides that a zero charge
5 for the HFPL is not an appropriate charge in the long
6 run but believes that this docket is not the proper
7 venue to adjust voice retail rates, the Commission
8 should not allow Ameritech to set an arbitrary charge
9 for the HFPL in the meantime"?

10 A. Yes.

11 Q. I am going to ask you another
12 hypothetical, okay. I want you to assume with me that
13 Ameritech Illinois were to agree, either in this
14 docket or in some other docket, that if it were
15 permitted to charge a positive price for the HFPL to
16 CLECs, it would credit to end users the exact amount
17 of the positive rate that it recovered from the data
18 CLEC so that end users who are line-sharing would get
19 a credit for the amount that was being paid by the
20 data CLEC for the HFPL.

21 A. Okay.

22 Q. Okay. If Ameritech were to agree to that

1 type of approach, is it your view that a zero monthly
2 recurring charge for the HFPL is not an appropriate
3 charge in the long run?

4 A. I just want to make sure I understand the
5 question. Can you say it again?

6 Q. Just the very last question asked?

7 A. Just the very last question.

8 Q. If Ameritech Illinois were to agree to
9 that type of arrangement, is it your opinion that a
10 zero recurring charge for the HFPL is not an
11 appropriate charge in the long run?

12 A. I think I wouldn't -- under those
13 circumstances, I don't think -- I could go either way.
14 I wouldn't say that it is appropriate, zero charge for
15 the HFPL. And where it is not appropriate, I think
16 then the situation should be re-evaluated. And I
17 think I limited my proposal for the zero HFPL in the
18 current situation. So to answer your question then,
19 it could be the case, that is, if it is not the
20 appropriate charge in the long run, to give a credit
21 to an end user customer purchasing voice service.

22 Q. And I think what I am trying to do,

1 Mr. Clausen, is asking -- I am trying to see if you
2 can in fact do that re-evaluation as we sit here
3 today. Is it your testimony that you can't make that
4 evaluation as you sit here today?

5 A. I think there are several good arguments
6 why that would not be appropriate in the long run,
7 yes.

8 Q. The zero rate?

9 A. Yes, under that assumption.

10 Q. I want to go into a couple other
11 hypotheticals that deal with this same issue,
12 Mr. Clausen. And try to bear with me because there is
13 going to be a number of assumptions I am going to ask
14 you to make. First, let me ask you, are you generally
15 aware that Section 706 of the Federal 1996
16 Telecommunications Act encourages the deployment of
17 the advanced services?

18 A. I am.

19 Q. And you are also aware that there are
20 numerous competing technologies in the market used to
21 provide advanced services?

22 A. Yes. Of course, it depends on how you

1 define the market. But I don't -- other than that,
2 sure.

3 Q. Well, you would agree, though, that there
4 are a number of different ways that broadband services
5 are provided today besides DSL, such as cable modem,
6 direct broadcast, satellite DBS, fixed wireless?

7 A. Sure.

8 Q. I want to you assume that we have a
9 market where we have several providers of advanced
10 services and each one uses one of these competing
11 technologies, each one uses a different technology,
12 okay. And let's assume that out of all those
13 providers the only type of provider that pays nothing
14 for the physical media to ride the service is the DSL
15 provider. And the reason it pays nothing is because
16 of a regulatory fiat, a regulatory decision. Do you
17 have those assumptions in mind?

18 A. Uh-huh.

19 Q. In your view would that regulatory fiat
20 be promoting efficient competition in that market?

21 MR. HARVEY: I will have to object to the
22 term "fiat," but if it's a regulatory action, that's

1 fine.

2 Q. Action is fine.

3 A. Again, I think to answer that correctly,
4 we still have to define the market and what is
5 available in that market at that time. But I think
6 there was one of your underlying assumptions that at
7 that time that customer has access to numerous other
8 broadband technologies, which I wish I would have.

9 Q. You are not alone, Mr. Clausen.

10 MR. HARVEY: I will ask notice to be taken of
11 the fact that Mr. Clausen resides in Ameritech
12 Illinois service territory.

13 THE WITNESS: I think I forgot the question
14 now.

15 Q. The question was, under the assumption of
16 the hypothetical, in your view would that regulatory
17 action be promoting efficient competition?

18 A. From my -- in my personal opinion I
19 wouldn't say it would be.

20 Q. And I will ask you another hypothetical.
21 Assume the same assumptions that I gave you about the
22 market, okay?

1 A. Okay.

2 Q. But we are not going to talk about the
3 xDSL service provider. Let's talk about a wireless
4 provider of broadband services. Let's assume that the
5 FCC decided to, instead of auctioning off the air wave
6 spectrum which is what it currently does today --
7 doesn't it?

8 A. Yes.

9 Q. Let's assume that it just instead gives
10 it away. In your view would that be promoting
11 efficient competition?

12 A. No.

13 Q. Turn to your -- one more question on your
14 direct testimony. Turn to the last page, page 12.
15 And I am looking at the question and answer on lines 3
16 through 12. And here you are giving a response to Dr.
17 Carnell's testimony about Ameritech losing a portion
18 of their revenue when people who use a second line to
19 connect to the internet switch to a CLEC who provide
20 DSL over line-sharing arrangement?

21 A. Yes.

22 Q. And at lines 8 and 9 you assert that

1 nothing prevented Ameritech and in parentheses "or its
2 data affiliate" from offering DSL to its voice
3 customers before one of its competitors did; do you
4 see that?

5 A. Yes.

6 Q. Now, we have already established that to
7 your knowledge Ameritech Illinois has never offered
8 retail DSL service, correct?

9 A. Correct, that's what I read in here.

10 Q. Now, with respect to the data affiliate,
11 isn't it your understanding that Ameritech Illinois is
12 obligated in terms of the provision of UNEs, like the
13 line-sharing UNE, obligated to treat all CLECs in a
14 non-discriminatory basis, irrespective of whether that
15 CLEC is an affiliate or non-affiliate?

16 A. That is correct.

17 Q. So in a competitive market for the DSL
18 service itself are there are numerous competing
19 providers of the DSL service?

20 A. (Nodded in the affirmative.)

21 Q. Is there any reason to expect that AADS,
22 assuming the non-discrimination standards are complied

1 with, is there any reason to expect that AADS would be
2 able to offer DSL service to voice customers of
3 Ameritech Illinois before a competitor, a
4 non-affiliated CLEC, did so?

5 A. Is there any reason why they would not?

6 Q. Is there any reason why they would be in
7 a position to offer DSL service to Ameritech Illinois'
8 voice customers before an unaffiliated CLEC did so?

9 A. No.

10 Q. Now we can go to your rebuttal testimony.
11 And why don't we turn to page 2 at lines 12 through
12 15. You give an answer and here you are describing
13 what the Commission ruled with respect to the issue of
14 line-sharing over fiber-fed DLC systems and you
15 specifically quote from the arbitration decision a
16 sentence that refers to Ameritech is required to
17 provide -- being required to provide line-sharing over
18 the Project Pronto architecture to CLECs
19 simultaneously with such provision to its retail or
20 affiliated operations; do you see that?

21 A. Yes.

22 Q. Now, you are also aware, aren't you, that

1 the arbitration decision has a section that
2 specifically required Ameritech Illinois to permit
3 CLECs to collocate their own line cards in the Project
4 Pronto NGDLCs?

5 A. Yes, I remember.

6 Q. And you are aware that the Commission has
7 granted rehearing on the Project Pronto issues?

8 A. Yes.

9 Q. Now, you recommend later in your rebuttal
10 testimony, I think it's on page 8, lines 3 through 13,
11 and it actually goes back to page 7. Beginning at
12 line 18 you talk about two options that you think the
13 Commission has with respect to line-sharing over
14 Project Pronto; do you see that?

15 A. Yes, I do.

16 Q. And the option that you recommend is that
17 the Commission decide the Project Pronto issues
18 consistent with how it did so in the arbitration
19 decision?

20 A. Yes.

21 Q. Does that recommendation also apply to
22 whatever the Commission decides on that issue, that is

1 the Project Pronto issue, in the rehearing of the
2 Covad/Rhythms arbitration?

3 A. Well, I don't know what the final outcome
4 of that will be. I think I am describing later why I
5 think from a policy perspective it should be required.

6 Q. Okay. Let me try to ask it this way, and
7 we will make it a hypothetical. Let's assume that in
8 the rehearing the Commission concludes that the
9 Project Pronto requirements that it included in the
10 arbitration decision were a bad idea and says we are
11 not going to require those, changes its mind, okay?

12 A. Okay.

13 Q. Is it your view that the terms in this
14 tariff should be consistent with that decision on
15 rehearing?

16 A. Although I am not a lawyer, I think,
17 sure, the decisions in both cases should be
18 consistent. Because if they were not, then you would
19 treat one pair of CLECs differently than this tariff
20 applying to all CLECs.

21 Q. That's fine. And that's all I was
22 looking for, was sort of the policy answer. I wasn't

1 asking for a legal answer.

2 A. Okay.

3 Q. Let's go to page 3 of your rebuttal
4 testimony. And at line 9 you are asked the question,
5 "Will CLECs be at a competitive disadvantage if they
6 cannot line-share over loops served by NGDLCs." And
7 your answer there is yes; do you see that?

8 A. Yeah.

9 Q. I guess my first question is, with
10 respect to the question "Will CLECs be at a
11 competitive disadvantage" relative to whom?

12 A. Relative to whom. I don't think I can --
13 I don't think I can define them that way with regard
14 to any other company. I think I was referring to
15 competitive disadvantage compared to situations where
16 a customer is served on all copper loop from the
17 provider to the customer premises and where the
18 provisions of line-sharing are in effect. If they
19 could not do that in a situation where there would be
20 a mixed fiber, mixed fiber and copper loop serving the
21 customer, I think that's what I mean when I refer to
22 competitive disadvantage.

1 Q. Now, is it your understanding that the
2 Project Pronto network is an overlay network on
3 Ameritech Illinois existing network?

4 A. That is my understanding.

5 Q. Have you reviewed the FCC's, what has
6 been, I think, referred to colloquially as the Project
7 Pronto Order, it's the Second Memorandum Opinion and
8 Order in the merger docket, FCC Docket 998141, which
9 it released on September 9?

10 A. Yes, I did.

11 Q. I will give you a copy so we won't make
12 this a memory test.

13 A. I do have a copy here.

14 MR. HARVEY: You better take his just for
15 pagination purposes.

16 Q. Are you aware that in paragraph 23 of
17 that order --

18 A. I am there.

19 Q. The FCC addressed -- well, first of all,
20 the FCC concluded that granting the waiver from the
21 merger condition ownership restrictions would be in
22 the public interest based on the conditions that are

1 included in this order as Appendix A which is the
2 broadband service offerings?

3 MR. HARVEY: I will have to object to that.
4 I think Mr. Binnig is characterizing the order. If
5 you want to put this into evidence, I am prepared to
6 do that. I mean it doesn't need to be in there.

7 MR. BINNIG: No, I am not trying to put it
8 into evidence. I am asking if that is his
9 understanding.

10 EXAMINER WOODS: You may answer.

11 A. Yeah. Again, I am not lawyer but that's
12 what the order reads and, yeah.

13 Q. And didn't the FCC, among other things,
14 conclude that SBC's proposal, and we are talking about
15 the broadband services offering, enables competing
16 carriers to effectively resell SBC's ADSL service and
17 thereby provides these CLECs with an immediate
18 opportunity to compete against SBC in the mass market?

19 MR. HARVEY: Same objection. That's
20 characterizing the order. I mean --

21 EXAMINER WOODS: It's not really
22 characterizing the order. It's something we do around

1 here a lot, which is have witnesses read from
2 documents, apparently in the belief that that makes it
3 more believable. And the Hearing Examiner or the
4 Commission reads it for him or herself. We do it all
5 the time. I don't know why we do it.

6 MR. BINNIG: It's a foundational question.

7 MR. HARVEY: All right. Fair enough. Go
8 ahead.

9 THE WITNESS: Yeah, that's what it reads.

10 MR. BINNIG:

11 Q. You don't disagree with the FCC's
12 conclusion, do you?

13 A. Do I disagree with the FCC's conclusion?

14 MR. HARVEY: I will have to object to that.

15 Why he might disagree with it, whether --

16 EXAMINER WOODS: If he wants to state his
17 reasons, he can state them.

18 A. Yeah, I think that that's what I am
19 stating in my rebuttal testimony, that I do disagree
20 with that confusion, that I do think that having
21 CLECs -- CLECs having the right to install that ADL or
22 that plug-in cards into NDGLC is a fundamental right

1 that should not be left out. But, yes, the sentence
2 you read is correct, but it should be noted that there
3 is one crucial word in there and that is "resale,"
4 "resells." So I just want to direct your attention to
5 that crucial word in that sentence, so.

6 Q. Well, I understand that. What that --
7 doesn't that mean that what the FCC is talking about
8 is SBC makes this wholesale service offering available
9 to CLECs and those CLECs in turn resell that service?

10 MR. HARVEY: I will object to that.

11 EXAMINER WOODS: Overruled.

12 A. Sorry. I lost the train of thought. Can
13 you ask it again?

14 Q. Isn't your understanding of that phrase
15 that the FCC is saying that Ameritech Illinois and the
16 other SBC ILECs provide the wholesale service offering
17 and the CLECs purchase that wholesale service offering
18 and resell it to end users in the retail market?

19 A. That is my understanding.

20 Q. You will agree with me, Mr. Clausen, that
21 in the Second Memorandum Opinion and Order of the
22 Project Pronto Order the FCC did not require the SBC

1 ILECs to unbundle Project Pronto facilities or to
2 allow CLECs to collocate their own line cards in
3 Project Pronto NDGLCs?

4 A. That is correct.

5 Q. I think we can probably go to your
6 surrebuttal. And let's first talk about the issue of
7 line-splitting. And I want to call your attention,
8 first, to page 1 of your testimony, your surrebuttal
9 testimony, lines 19 through 21. And you assert there,
10 "The FCC did not require incumbent carriers to provide
11 line-sharing to UNE-P providers but it certainly did
12 not prohibit ILECs from doing so"?

13 A. Yes.

14 Q. Now, if the Commission were to adopt your
15 position on line-splitting in this proceeding, it
16 would be requiring Ameritech Illinois to do something
17 that the FCC has not required Ameritech Illinois to
18 do; isn't that right?

19 A. That is correct.

20 Q. Still on line-splitting, let's go to the
21 next page. In your answer at lines 14 through 17, you
22 assert there that --

1 A. Sorry, which page?

2 Q. Next page, page 2.

3 A. Okay.

4 Q. Lines 14 through 17. Now, you assert
5 here that under "Ameritech's proposal a UNE-P provider
6 wishing to offer data and voice services over a single
7 loop would have to collocate the splitter in the
8 central office;" do you see that?

9 A. Uh-huh.

10 Q. Isn't it correct, Mr. Clausen, that the
11 UNE-P provider who would wish to offer data and voice
12 services over a single loop would also have to
13 collocate a DSLAM?

14 A. Yes, if it did not partner up with
15 somebody else providing data services; that is
16 correct.

17 Q. And if it did partner with someone else
18 to provide data services, that partner would have to
19 collocate a DSLAM?

20 A. Obviously.

21 Q. And there is nothing that you know of
22 that would prevent the UNE-P provider, assuming that

1 the UNE-P provider collocated the DSLAM or in the
2 alternative the data services partner would collocate
3 the DSLAM, there is nothing that would prevent either
4 one of those from putting a splitter in their
5 collocation cages; isn't that correct?

6 A. It certainly would not prevent them. The
7 question is how much of additional collocation space
8 or additional time for provisioning that collocation
9 space, if that collocation space is not sufficient in
10 its current state. So, no, of course not, nothing
11 would prevent it. But there is certainly additional
12 steps that would have to be taken if a UNE-P provider
13 does not have access to Ameritech Illinois provided
14 splitter capacity.

15 Q. Well, let's talk about those additional
16 steps. Those additional steps would be that the data
17 CLEC or UNE-P provider has to go out and buy the
18 splitter, instead of Ameritech Illinois, right?

19 A. That's correct. If there is no splitter
20 yet, somebody has to buy the splitter and somebody has
21 to collocate and somebody has to purchase a
22 collocating space for that.

1 Q. And let's assume that the UNE-P provider
2 or the data CLEC, whichever one, has a collocated
3 DSLAM and let's assume there is enough space in the
4 collocation space to add a splitter. Now, you have
5 seen splitters, haven't you?

6 A. Oh, yeah.

7 Q. Some splitters are basically, what, eight
8 inches by two feet, maybe a foot and a half deep,
9 shelf splitter?

10 A. That is called a shelf, yes, that's
11 correct.

12 Q. So let's assume that there is already
13 space in the collocation area for that splitter. The
14 data CLEC or the UNE-P provider would then have to,
15 once they bought the splitter, they would then have to
16 install it in their collocation space; is that right?

17 A. That's right.

18 Q. And they would have to hook it up to
19 their DSLAM; is that right?

20 A. That's right.

21 Q. And it would also have to be hooked up to
22 Ameritech Illinois' central office equipment?

1 A. That's right.

2 Q. On page 3, turn over to page 3, at lines
3 8 through 9 we are still talking about splitters here.
4 And you assert at lines 8 through 9 that, "Increased
5 demand for Ameritech-owned splitters is likely to
6 reduce any perceived risk of stranded investments in
7 splitters;" do you see that?

8 A. Yes.

9 Q. Now, in making that assertion you haven't
10 performed any economic study or analysis of the demand
11 by CLECs for Ameritech Illinois splitters; have you?

12 A. Well, I don't know what you exactly mean
13 by economic analysis. The reasoning behind my
14 argument is that, to me in my personal opinion, it
15 seems to be apparent that if there is another or maybe
16 another group of CLECs, namely the UNE-P providers who
17 have the ability to use Ameritech Illinois-owned
18 splitters, that they can -- or that ability of that
19 group will increase the demand overall for an
20 Ameritech Illinois-owned splitter. And that's my
21 underlying reasoning why I say that that could
22 mitigate the concern of Ameritech Illinois that it

1 might buy or that it could incur any stranded
2 investment.

3 Q. That sort of brings up another question
4 in my mind, Mr. Clausen. You haven't performed any
5 analysis of the accuracy of CLECs' forecast of their
6 demands for Ameritech Illinois splitters; have you?

7 A. No.

8 Q. I may only have a few more questions for
9 you, Mr. Clausen. Let's go to the issue of
10 collocation -- well, before we do that -- no, we
11 covered that. Let's go to the issue of collocation of
12 line cards.

13 A. Okay. I believe you are referring to my
14 rebuttal testimony?

15 Q. I am talking about your surrebuttal at
16 the very end, beginning on page 9 about line-sharing
17 over Project Pronto. Do you see that?

18 A. Yes, I do.

19 Q. And you assert at lines 17 through 19
20 that, "While it is true that other hardware and
21 software components are needed in conjunction with a
22 plug-in card to provide xDSL services, this does not

1 preclude plug-in cards from being collocated." Do you
2 see that?

3 A. Yes.

4 Q. You agree -- let me rephrase this. Isn't
5 it your understanding, Mr. Clausen, that an ILEC's
6 collocation obligations are governed by Section
7 251(c)(6) of the Federal Telecommunications Act of
8 1996?

9 A. I believe that's right.

10 Q. And that requires ILECs to allow physical
11 collocation of equipment that is necessary for
12 interconnection for access to unbundled network
13 elements; isn't that correct?

14 A. That is my understanding, yes.

15 MR. BINNIG: No other questions, Your Honor.

16 MR. HARVEY: I will have a little on
17 redirect.

18 EXAMINER WOODS: Anybody else have cross?

19 MS. HAMILL: No.

20 EXAMINER WOODS: Okay. Let's take a couple
21 minutes.

22 MR. HARVEY: At most two or three.

1 (Whereupon the hearing was in
2 a short recess.)

3 EXAMINER WOODS: Back on the record.

4 REDIRECT EXAMINATION

5 BY MR. HARVEY:

6 Q. Mr. Clausen, just a couple of questions
7 on redirect, here. Now, Mr. Binnig asked you -- well,
8 he posed a hypothetical to you regarding your view
9 that there should be a zero charge for the high
10 frequency portion of the loop, correct?

11 A. Correct.

12 Q. And this hypothetical proposed that, if
13 Ameritech Illinois were to refund the portion of the
14 HFPL charge from the data CLEC to the customer that
15 they obtained from the data CLEC or reduce the
16 customer's access charge by that amount, would that
17 change your opinion; do you remember that
18 hypothetical?

19 A. Yes, I do.

20 Q. Are you aware of any such proposal by
21 Ameritech Illinois currently?

22 A. No.

1 Q. So that is purely a hypothetical at this
2 point?

3 A. As I said, yes.

4 Q. As you said.

5 A. It is a hypothetical, yes.

6 Q. But you aware of no such proposal?

7 A. No.

8 Q. Now, with regard to sort of the same
9 issue, you said that there was no really good economic
10 reason to apportion, what I think it was, shared costs
11 to either the high frequency or the voice portion of
12 the loop?

13 A. Correct.

14 Q. Do you know where the costs, loop costs,
15 are currently recovered? From the high frequency or
16 the voice portion, which is it? Do you know?

17 A. The loop costs in general?

18 Q. Yes.

19 A. Yeah, they are recovered by voice and
20 related services right now.

21 Q. Okay. Now, Mr. Binnig also asked you
22 hypothetically, if the Commission were to determine

1 that its decision in the Covad/Rhythms arbitration
2 regarding collocation of splitters was in error, did
3 you think that applied to all CLECs?

4 A. Yes, I remember that.

5 Q. You remember that hypothetical. Is your
6 opinion -- would your opinion be the same that all
7 CLECs should be treated the same if the Commission
8 decides that it made the correct decision in that
9 arbitration?

10 A. Certainly, certainly.

11 Q. Now, there is one other question. We
12 didn't really discuss this so I am sort of taking
13 potluck here, and I apologize.

14 A. That's why I am here for.

15 Q. Yes. He is giving truthful answers and
16 these will be certainly truthful?

17 EXAMINER WOODS: Because he hasn't talked to
18 you?

19 MR. BINNIG: That was the implication I took
20 from this.

21 MR. HARVEY: And you took the correct one.

22 Q. Now, Mr. Clausen, Mr. Binnig made

1 reference to -- asked you to comment on the economic
2 rationality or irrationality of charging nothing to
3 people who propose to use the sort of bandwidth of the
4 public airways to broadcast, correct?

5 A. Yes.

6 Q. In your view is this a very good analogy
7 to the current bandwidth available in the existing
8 public switched telephone network?

9 A. No, it's not.

10 Q. And would you explain why?

11 A. Yeah, because that bandwidth is dedicated
12 to that customer. It's already -- the customer is
13 using that loop and so it is a bad analogy to compare
14 that to a wider spectrum with no other provider or any
15 technology ever used on that. So this is dedicated
16 already for a customer.

17 MR. HARVEY: Thank you, Mr. Clausen. That's
18 all I have on redirect.

19 MR. BINNIG: I do have one follow-up.

20 RE CROSS EXAMINATION

21 BY MR. BINNIG:

22 Q. I am going to add to my hypothetical,

1 okay. With respect to the FCC giving away the public
2 airways for free, let's assume that the FCC has
3 auctioned off a number of different spectrum,
4 broadband spectrum, frequencies through its auction
5 process.

6 A. Uh-huh.

7 Q. And so that spectrum frequencies are
8 already being used to provide broadband services,
9 okay. I am adding that to my list of assumptions.

10 A. Okay.

11 Q. Then they decide, well, we are going to
12 auction off some additional spectrum frequencies but,
13 instead of auctioning it, let's just give it away to
14 providers for free. In your view would that decision
15 be promoting efficient competition?

16 A. No, it would not.

17 MR. BINNIG: Nothing further.

18 EXAMINER WOODS: Enough?

19 MR. HARVEY: Nothing.

20 EXAMINER WOODS: Thank you, Mr. Clausen.

21 Mr. Koch, come on up. Have you been previously sworn,

22 Mr. Koch?

1 MR. KOCH: No, I have not.

2 (Whereupon the Witness was duly
3 sworn by Examiner Woods.)

4 R O B E R T F. K O C H
5 called as a Witness on behalf of the Staff of the
6 Illinois Commerce Commission, having been first duly
7 sworn, was examined and testified as follows:

8 DIRECT EXAMINATION

9 BY MR. HARVEY:

10 Q. Mr. Koch, do you have before you a
11 document consisting of 14 pages of text in question
12 and answer form that has been marked for
13 identification as Staff Exhibit 2.0?

14 A. Yes, I do.

15 Q. Is that your direct testimony in this
16 matter?

17 A. Yes, it is.

18 Q. Was that prepared by you or at your
19 direction and supervision?

20 A. It was prepared by me.

21 Q. Do you have any corrections, revisions,
22 or modifications you wish to make to this testimony?

1 A. No, I do not.

2 Q. If I were to ask you the questions
3 contained in this testimony today, would your answers
4 be the same as they are set forth herein?

5 A. Yes.

6 MR. HARVEY: With that, I will ask that Staff
7 Exhibit Number 2.0, the Direct Testimony of Robert F.
8 Koch, be admitted into evidence, subject to being
9 filed with the Chief Clerk as per instructions.

10 EXAMINER WOODS: Be admitted upon receipt.
11 (Upon receipt, ICC Staff Exhibit
12 2.0 will be admitted into
13 evidence.)

14 MR. HARVEY:

15 Q. Now, Mr. Koch, you also have before you
16 another document which has been marked for
17 identification as Staff Exhibit 2.1 in this docket.

18 A. Yes.

19 Q. And it's marked Rebuttal Testimony of
20 Robert F. Koch. Was that -- does that consist of 11
21 pages of text in question and answer form?

22 A. Yes, it does.

1 Q. Was that prepared by you or at your
2 supervision?

3 A. That was prepared by me.

4 Q. Do you have any corrections, revisions,
5 or modifications that you wish to make at this time to
6 this document?

7 A. No, I do not.

8 Q. If I were to ask you the questions set
9 forth in this document today, would the answers set
10 forth in the document be any different than they are?

11 A. No.

12 MR. HARVEY: I would again move for admission
13 of Staff Exhibit Number 2.1.

14 EXAMINER WOODS: That's rebuttal?

15 MR. HARVEY: That's correct.

16 EXAMINER WOODS: Upon receipt.

17 (Upon receipt, ICC Staff Exhibit
18 2.1 will be admitted into
19 evidence.)

20 MR. HARVEY:

21 Q. And, finally, do you have before you two
22 variants of the same approximate document, that being

1 the Surrebuttal Testimony of Robert F. Koch?

2 A. I have the proprietary version of my
3 surrebuttal testimony. I do not have the public
4 version.

5 Q. To your knowledge was a public version
6 filed with the Commission?

7 A. Yes.

8 Q. And did you have a chance to review that
9 as well?

10 A. Yes, I did.

11 Q. Does that -- was that document consisting
12 of seven pages prepared by you or at your direction?

13 A. Yes, it was.

14 Q. Was the schedule attached to the
15 proprietary version prepared by you or at your
16 direction?

17 A. Yes, it was.

18 Q. If I were to ask you the questions
19 contained in -- let me ask you this, do you have any
20 modifications or corrections?

21 A. No, I do not.

22 Q. If I were to ask you the questions

1 contained in this document, would you give the same
2 answers today?

3 A. Yes, I would.

4 MR. HARVEY: I would move for the admission
5 on the same.

6 EXAMINER WOODS: Upon receipt.

7 (Upon receipt ICC Staff Exhibit
8 2.2 will be admitted into
9 evidence.)

10 MR. HARVEY: That having been accomplished in
11 less than record time, I will tender the witness for
12 cross examination.

13 EXAMINER WOODS: Witness is available for
14 cross.

15 CROSS EXAMINATION

16 BY MR. BINNIG:

17 Q. Good afternoon, Mr. Koch.

18 A. Good afternoon.

19 Q. Why don't we first talk about the issue
20 of OSS modification costs. And if you could turn to
21 your direct testimony, page 6, lines, I believe, 129
22 through 133. And here you mention that Ms. Murray

1 discusses the demand figures provided for Ameritech,
2 the development of the OSS modification rate, on pages
3 57 and 58 of her testimony; do you see that?

4 A. Yes.

5 Q. And that she observes that the numbers
6 provided by Mr. Smallwood are significantly lower than
7 the other demand projections provided by the company;
8 do you see that?

9 A. Yes.

10 Q. Did you review those other demand
11 projections, the one that Ms. Murray refers to?

12 A. I did look at her discussion of those.

13 Q. Is it your understanding that those
14 demand projections include, in addition to
15 line-sharing DSL figures, also include SBC's
16 projection of out of territory DSL takes, that is,
17 takes outside of the 13 state SBC territory?

18 A. I believe that she discusses both within
19 and -- if I could hold on just a moment.

20 Q. And my question is about the figures
21 themselves, not what Ms. Murray necessarily has to say
22 about them.

1 A. Okay. My understanding was that was in
2 market.

3 Q. Okay. Is it your understanding that the
4 figures that Ms. Murray discusses include customers
5 who obtain DSL services over Project Pronto
6 architecture, that is, through the broadband services
7 offering in addition to customers who obtain it
8 through the home run copper line-sharing?

9 A. It's a total customer base for DSL
10 services. So that would include Pronto, yeah, copper.

11 Q. I want you to assume for me that the
12 numbers that Ms. Murray discusses -- and this is now a
13 hypothetical -- includes not only Project Pronto but
14 also includes out of territory xDSL customers from SBC
15 going into other markets.

16 A. Okay.

17 Q. Might that explain why Mr. Smallwood's
18 demand projections are significantly lower than the
19 ones Ms. Murray discusses?

20 A. That could potentially be, yes.

21 Q. And it's your understanding that what
22 Mr. Smallwood was projecting was the projection of DSL

1 customers within the 13-state SBC territory for home
2 run copper loops?

3 A. I'm sorry, could you repeat that again?

4 Q. Sure. Is it your understanding that what
5 Mr. Smallwood was providing in his demand projections
6 was the SBC 13-state forecast of demand for xDSL
7 service over home run copper loops?

8 A. It was my -- I don't have it in front of
9 me to answer that question exactly. If you could
10 provide me a copy of it right now, I could answer for
11 you.

12 Q. As you sit here right now, you are not
13 sure whether that's what Mr. Smallwood was providing?

14 A. I can only answer subject to check.

15 Q. If you are not sure, that's fine.

16 A. Okay.

17 Q. Have you compared actual DSL service
18 takes by CLECs in the 13-state SBC territory with the
19 demand projections used by Mr. Smallwood?

20 A. No, I have not.

21 Q. Let's move to page 7 of your testimony.
22 Looking at lines 144 through 149, and you assert here

1 that, "The recovery period should match the roll -out
2 of Project Pronto as it reflects the time period in
3 which DSL service becomes truly available to all of
4 Ameritech customers;" do you see that?

5 A. Yes.

6 Q. And then you say, "Thus recovery should
7 occur five years rather than three years;" do you see
8 that?

9 A. Yes.

10 Q. Isn't the roll-out period for Project
11 Pronto three years?

12 A. It was -- my understanding is at the time
13 of the announcement there would be actually a
14 five-year period based on -- at least my understanding
15 is that, yes, that it would take more than three
16 years.

17 Q. One of the documents that I think is
18 actually an exhibit that was used in cross
19 examination, it's an exhibit to Ms. Murray's testimony
20 which is the, I think, Rhythms/Covad Exhibit 1.2, and
21 it's the October SBC investor briefing. Does that
22 describe a \$6 billion investment over three years?

1 A. Yes, it does.

2 Q. Go to page 9, lines 192 through 194. You
3 are still talking about -- do you have that?

4 A. Yes, I was looking in your investor
5 briefing. Okay, here we go.

6 Q. Lines 192 to 194, we are still talking
7 about the OSS modification rates, and you are talking
8 here about the de-installation calculations. And you
9 say it is your opinion that many, if not most, of the
10 de-installations will be as a result of customers
11 disconnecting all services from the same line?

12 A. Yes.

13 Q. In making that assertion you haven't
14 performed any market study or survey of end user
15 customers; is that correct?

16 A. Absolutely not.

17 Q. That's correct?

18 A. Correct.

19 Q. And then at lines 198 through 200 you
20 say, "It's likely that customers will switch to a
21 different CLEC for DSL service in which case the
22 de-installation process does not have to be completed

1 in its entirety." And that's the same question, in
2 making that assertion, again, you haven't performed
3 any market study or survey of end user customers,
4 correct?

5 A. Correct.

6 Q. And then in addition, Mr. Koch, you in
7 fact -- well, let me put it this way. You have never
8 performed the de-installation process that you are
9 talking about here; is that correct?

10 A. That is true.

11 Q. In fact, you have never worked for an
12 ILEC, a CLEC, or a telecommunications carrier; is that
13 correct?

14 A. That's correct.

15 Q. So you have never been a central office
16 engineer or an outside plant engineer?

17 A. No.

18 Q. Correct?

19 A. Correct.

20 Q. Let's go to page 13 of your direct
21 testimony. At lines 288 through 290 you are answering
22 a question about whether there is a problem with

1 allocating shared and common costs to HFPL if the rate
2 of the element is zero. And at the lines I cited you
3 state there that, "With HFPL having a zero rate, all
4 of the shared and common costs for the loop are being
5 recovered by the voice portion of the loop;" do you
6 see that?

7 A. Yes.

8 Q. Isn't that statement true only if the
9 CLEC is purchasing the entire loop?

10 A. In fact, what that statement is saying is
11 that voice services -- I think it would be more
12 appropriately that voice services are recovering
13 shared and common cost.

14 Q. But I take it you will agree with me that
15 the only rates that apply a TELRIC model, which
16 includes a markup for shared and common costs, are the
17 rates that applies to UNEs and interconnection; isn't
18 that right?

19 A. Correct.

20 Q. Let's go to your rebuttal testimony. I
21 want you to look at the bottom of page 3, the question
22 actually begins on line 31 when you say, "What

1 principles should Ameritech use in developing
2 line-conditioning rates." But I want to focus on your
3 answer to line 39 where you say, "The company should
4 not be allowed to apply its shared and common cost
5 factors to line-conditioning charges." Do you see
6 that?

7 A. On what lines did you say?

8 Q. Lines 39 and 40 on page 3. You say,
9 "Further, the company should not be allowed to apply
10 shared and common cost factors to line-conditioning
11 charges." Do you see that?

12 A. Yes.

13 Q. Isn't it your understanding that the FCC
14 has said that incumbent LECs should be allowed to
15 recover their line-conditioning costs and that those
16 costs should be determined using principles embodied
17 in the TELRIC model?

18 A. Correct.

19 Q. And doesn't the TELRIC model include the
20 recovery of shared and common costs?

21 A. In Illinois, you said this was -- my
22 understanding, the FCC ordered that it be recovered

1 and that it be recovered by TELRIC. In Illinois we
2 have adopted, for the purpose of unbundled network
3 elements, a shared and common cost factor to apply to
4 those, to those TELRIC costs.

5 Q. And that's consistent with the FCC's
6 TELRIC model; isn't it?

7 A. That would be consistent.

8 Q. I guess this is what I am trying to get
9 at, Mr. Koch. Let me give you a copy of the First
10 Report and Order. I want to walk you through a couple
11 of paragraphs where the FCC describes its TELRIC
12 model. Starting with paragraph 676.

13 A. Okay.

14 MR. HARVEY: If I could interrupt here, my
15 version does not have any of those pages.

16 MR. BINNIG: That was by design.

17 Q. 676, I hope your copy does have that in
18 it.

19 A. Yes, it does.

20 Q. Paragraph 676, this talks about shared
21 and common costs and the FCC first talks about the
22 term "joint costs" and they then go on to say that the

1 cost is common -- I am looking at the bottom of this
2 paragraph with respect to a subset of services or
3 elements. For example, a firm avoids the costs only
4 by not providing each and every service or element in
5 the subset. And they say for the purpose of our
6 discussion we refer to joint and common costs as
7 simply common costs unless the distinction is relevant
8 in a particular context. Do you see that?

9 A. Yes.

10 Q. So what the FCC is saying is that there
11 is these two types of cost that aren't incremental
12 TELRIC costs, joint and common, and we generally are
13 going to refer to them as common unless we think we
14 need to separate them out, all right?

15 A. Okay.

16 Q. Look at paragraph 679 which begins a
17 description of the TELRIC-based methodology.

18 A. Yes, sir.

19 Q. And then the paragraphs that follow
20 describe that methodology, don't they?

21 A. Yes, it does.

22 Q. And then in paragraph 682 they say that,

1 "We conclude that under a TELRIC methodology incumbent
2 LECs' prices for interconnection and unbundled network
3 elements shall recover the forward-looking costs
4 directly attributable to the specified element as well
5 as a reasonable allocation of forward-looking common
6 costs." Do you see that?

7 A. Yes.

8 Q. And that includes both joint and common
9 costs; doesn't it?

10 A. Yes.

11 Q. And so under the TELRIC model, Mr. Koch,
12 don't line-conditioning charges have to include shared
13 and common costs in addition to the incremental costs?

14 A. For the prices of interconnection and
15 unbundled network elements, the answer would be true.

16 Q. I am talking about loop conditioning now?

17 A. I understand that.

18 Q. If the FCC says TELRIC principles apply
19 to loop conditioning, don't the prices for
20 loop-conditioning have to include a markup for shared
21 and common costs in addition to the incremental costs?

22 A. I am not a lawyer, but I believe

1 paragraph 682, as I read it, specifically states the
2 LECs' price is for interconnection and for unbundled
3 network elements.

4 Q. So in your view it's consistent with the
5 TELRIC model even though the FCC says that -- strike
6 that. In your view it's consistent with the TELRIC
7 model to not recover any shared and common costs from
8 loop conditioning?

9 A. That is correct.

10 MR. BINNIG: That's all I have, Your Honor.

11 MR. HARVEY: Just a moment, Your Honor.

12 EXAMINER WOODS: Sure.

13 (Whereupon the hearing was in
14 a short recess.)

15 EXAMINER WOODS: Back on record. This record
16 is marked heard and taken.

17 We have adopted a briefing schedule
18 which, as I understand it, calls for the original
19 briefs to be filed November 17 and reply briefs to be
20 filed December 8. The parties have been instructed
21 that, if they wish to file a draft order, those draft
22 orders should be filed with the reply briefs. Parties

1 may then use exceptions and replies to comment on the
2 drafts as filed. Thank you all very much.

3 HEARD AND TAKEN

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